The World's Daily Newspaper

Paris, Wednesday, January 13, 1999

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

No. 36,037



	The Dollar	
New York	Tuesday @ 4 P.M.	previous close
Euro	1.1585	1.1497
Pound	1.6305	1.6295
Yen	112.425	108.575
DM	1.6912	1.7012
FF	5.672	5.7055
ollers per pound	and per auro.	
	The Dow	
▼	Tuesday close	percent change
~~ 145.21	9,474.68	-1.51%
	S&P 500	
▼		percent change
- 24.34	1,239.54	—1.93%
	Nasdaq	
*		percent change
62.59	2 921 00	2 £7W

Traders working on the floor of the Bovespa stock exchange in Sao Paulo, Brazil. Shares dropped sharply for the second straight day Tuesday amid fears the government would fail to fend off a financial crisis after the state of Minas Gerais said last week it was placing a 90-day moratorium on payments on its \$15 billion of debt to the central government. Other Latin markets also fell Page 11.

AGENDA

Moscow College Penalized by U.S.

WASHINGTON (AP) — The United States imposed economic penalties Tuesday against a Mo-scow university and two other Russian institutions, accusing them of assisting Iran with nuclear and mis-

Sandy Berger, the national security adviser, gave no details of the sanctions. Similar penalties were imposed against seven other Russian institutions in July.

Utah Retains Games

The 2002 Winter Games will not be moved from Salt Lake City, Utah, despite a growing pribery Committee said Tuesday.

The committee spoke after its senior member, Marc Hodler, who is also head of the oversight panel for the 2002 Games, said they could be moved or canceled if Sait Lake City could not meet its \$1.45 billion budget.

Books	
Crossword	Page 18.
Opinion	
Sports	Pages 18-19.
——————————————————————————————————————	Decree A 15

Congo Strife Could Redraw Map of Africa

By Ian Fisher and Norimitsu Onishi New York Times Service

KISANGANI, Democratic Republic of the Congo — The new chairman of Congo's state-owned mining company is not from Congo. He is a 39-year-old transport entrepreneur and former race car driver from Zimbabwe, Billy Rautenbach. Congo's president calls

him "Mr. Billy."
In central Kisangani, in the nation's east, Ugandan soldiers patrol streets almost empty of cars. The cars, locals say, were stolen long ago by Rwandan sol-diers, who are disliked here. These days, the Rwandans stay mostly out of sight in camps south of the Congo River.
Historically, in the minds of outsiders

hungry for its riches — gold for traders and souls for missionaries — Congo, formerly Zaire, has rarely belonged to itself alone. Now this huge and unsteady state has become a battlefield for soldier. diers from no fewer than six foreign nations who are fighting a war that has as much to do with problems outside of Congo as inside it.

A fundamental reworking of the old

See CONGO, Page 8

	Newsstand Prices
	Andorra
ĺ	hvory Cosst. 1.250 CFA Turissia 10.00 Dh Jordan 1.250 JD U.A.E. 10.00 Dh Consail 1.250 JD File U.S. Mil. (Eur.) \$1.20



Foreign Banks Turn Wary of China

Many Cut Back Lending After Beijing Strands GITIC's Creditors

By Philip Segal

HONG KONG - Foreign bankers said Tuesday that they had cut back lending to Chinese companies, just days after they were left holding hundreds of millions of dollars in bad debt in the

country's biggest corporate bankruptcy.

Some bankers here say they are telling clients that China is already headed for a credit crunch, increasing the risk of more bankruptcies and more defaults.

Foreign creditors were informed Sunday that government-owned Guangdong International Trust & Investment Corp. had debts exceeding \$4 billion — more than double the estimates when it collapsed in October and nearly twice GITIC's assets. Worse news still was that China would not put foreign banks something foreign bankers had taken

for granted on the basis of experience. Now, as foreign bankers attempt to determine when and whether they can get any of their money back from China's biggest bankrupt company, the flow of money that has for the past

U.S. fears China will crack down anew on political activists. Page 4.

decade traveled from Hong Kong into China is contracting, bankers say. "Foreign banks won't extend more lines of credit because they couldn't explain it to their head offices," said a

capital markets executive at a European investment bank here. Other than loans from Chinese banks, "medium-term financing is pretty much impossible" for Chinese com-

"The problem is the potential sys-

at a French bank in Hong Kong. If banks together stop lending, "it means more

The debt problem extends beyond companies that are controlled by the

companies that are controlled by the various provincial governments, reaching the so-called red chips, Hong Kong-incorporated companies with some mainland Chinese backing.

A report by Goldman, Sachs & Co. published in November said that red-chip debt could total almost \$13 billion. In a chatement Treeday to the stock exchange. statement Tuesday to the stock exchange here, a subsidiary of one such company, Guangdong Enterprises, said its parent was having trouble finding funds to pay back \$1.2 billion in debt due by April.

Standard & Poor's Corp. cut its debt rating last week on Guangdong Enter-prises to CCC-minus, the American rat-

See CHINA, Page 8

Jordan, Basketball's Best, to Quit -Again

2d Time in 5 Years For Chicago Icon

By Mike Wise New York Times Service

NEW YORK - Michael Jordan. basketball's preeminent player and the world's best-known athlete, will retire from the National Basketball Association for the second time in five years on Wednesday, according to three officials in the NBA with knowledge of Jordan's plans.
Jordan will hold a press conference

at the Chicago Bulls' United Center arena on Wednesday beginning at 11 A.M. (1700 GMT), the Bulls organization said Tuesday.

Jordan's future has been the biggest issue in basketball in the wake of the

bitter labor dispute that ended last week after an impasse that lasted six months and wiped out the early part of the season.

Aside from his athletic and entertainment value to the league, he was viewed as a cultural icon and ambassador for the sport who would help bridge the gap to disenchanted fans. Jordan has not made a public state-

ment regarding his plans since the lockout ended, and his agent, David Falk, declined to comment on the possibility of Jordan's retirement. The Bulls also declined to com-

ment. But the three officials said the decision had been made. Recently, more signs had pointed to

the game's most prominent star re-tiring again, at the age of 35. Falk had See JORDAN, Page 18



Jordan showing his all-star form in an NBA slam-dunk contest.

Saddam Turns Up **Heat in Mideast**

Saudi Arabia Is Denounced By Baghdad

By Joseph Fitchett International Herald Tribune

PARIS — The battle to sway Arab public opinion about Iraq broadened Tuesday as Baghdad accused Saudi Ar-abia's rulers of betraying the Arab cause and colluding with the United States to punish the Iraqi people — the first time that the government of Saddam Hussein has lashed out so pointedly against the leading conservative Arab government

Baghdad's charges were greeted by U.S. officials as a sign of weakness and growing desperation around President Saddam, and the Clinton administration moved to step up international military and diplomatic pressure on him.

With the Iraqi verbal assault mounting on other Arab governments, Secretary of State Madeleine Albright scheduled a fresh round of top-level talks with Bagh-dad's main Arab foes, announcing that she will visit Saudi Arabia and Egypt in

two weeks to discuss Iraq.

Reiterating the U.S. theme that Mr. Saddam is rattling a cage he cannot break, Defense Secretary William Co-hen warned that Iraqi air defenses would be destroyed if they continued harassing

U.S. planes in the no-flight zones. On Tuesday an F-16 jet fired a missile at an Iraqi air defense site near Mosul, the main city in northern Iraq, when the ground radar locked onto the U.S. plane on a patrol. It was the sixth such incident in two weeks, including one Monday in which U.S. planes fired missiles at two

The Clinton administration disclosed ans to send eight more P-16s — as well as four more tankers for in-flight refueling — this week to bolster monitoring in the southern zone, where U.S. commanders reported five Iraqi viol-

ations on Tuesday, with no combat. Despite Iraq's aerial and verbal es-Kuwait and other pro-Western Arab governments, U.S. and Arab officials said that the moves amounted to bluster, with Mr. Saddam powerless to destabil-

ize other regimes or mount a major threat beyond hoping to down a U.S. warplane with a lucky hit.

The officials, who spoke on condition that they were not identified, said that a nettern was experience in the Iraci threats. pattern was emerging in the Iraqi threats and the ripostes from Washington and its Arab allies, including shadow-boxing in the no-flight zones, Baghdad's rhetoric about withdrawing recognition of Kuwait's borders and the jockeying

See IRAQ, Page 8

Food Delivery An Issue as Iraq Sells Oil

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York -As pressure mounts to lift economic sanctions on Iraq in the name of helping its people, evidence is accumulating that President Saddam Hussein is deliberately denying Iraqis, especially children, food and medicine bought under a plan permitting limited oil sales, diplomats and officials said Tuesday.

The Iragis are also turning back ships and planes from neighboring nations trying to bring in relief goods, which are permitted under United Nations sanc-

At the same time, Mr. Saddam is ordering that record amounts of oil be pumped, more than independent experts think the decrepit Iraqi system can produce without significant damage.

UN officials say that in the last three weeks, Iraq pumped an average of 2 million barrels of oil a day.

In Baghdad on Tuesday, an oil ministry official said that the country would try to raise that to 3 million barrels a day in the near future and 3.5 million barrels within two years.

That would be more than the 3.1

million barrels a day produced before Iraq's invasion of Kuwait in 1990, after which the oil embargo was imposed.

Under the "oil for food" program, Iraq is permitted to sell \$5.26 billion worth of oil every six months to raise money for civilian needs but the record money for civilian needs, but the record low price of oil has kept Iraq from meeting that target. Baghdad's announcement depressed the price of oil even further. In afternoon trading, contracts for future delivery of crude oil were down 33 cents at \$13.11 a barrel.

UN officials say that hundreds of millions of dollars are available to purchase food and medicine and that significant quantities have been bought. But some the food, especially milk that relief officials say would add needed protein to Iraqi diets, has been sitting undistributed in warehouses.

Medicines are also taking inexplic-

ably long to be distributed.

A diplomat familiar with the pur-

chases said that Iraq's charges that chil-dren are dying of curable leukemia be-cause of a lack of the correct medicine are, for example, probably not true.
"The medicines they need were on

the approved list but have not been ordered," he said, adding that recommended nutritional boosters for children under five were also not bought, although the Iraqis said publicly that they had ordered them.

Germany Reaffirms Ties To France, With a 'But'

EU Allies Diverge on Policy Toward U.S.

By John Vinocur ional Herald Tribune

HAMBURG — In making an 80th birthday toast to Helmut Schmidt last week, Chancellor Gerhard Schroeder tried to reassure him publicly about his government's position on a handful of initiatives and attitudes the old chancellor holds as creed. "We'll protect the German-French relationship," Mr. Schroeder said for all the birthday

guests to hear. "That's a promise." This was a long way from the lan-guage of a Social Democratic candidate who, a little more than a year ago, was talking about the naggingly obligatory character of French-German relations and suggesting that what was left of the old Bonn-Paris axis could be reworked into a European leadership triangle that includes Britain.

About three months into its term, the leftist German government has signaled that it recognizes that a close relationship with France is indispensable for achieving its European aims. For the French, this is no trifling reaffirmation of their importance. But at the same time, Germany has made it clear that it is not going to be participant or tacit supporter of a developing foreign policy orientation in France

that defines American ANALYSIS power and potential unilateral action by the United States as one of the world's great

In the widest sense, foreign policy under Mr. Schroeder and Foreign Minister Joschka Fischer, the Greens leader, is following the line of continuity they said it would on taking office. If France wants to affirm its difference, a difficult undertaking at a time of developing European integration, Germany is largely sticking to its long-term postwar conviction that it profits most from being regarded as a source of stability and consistency. This desire to reassure now includes reasserting its deep involvement with France.

Early in the German election campaign last year, when notions of Mr. Fischer becoming a Green foreign min-ister were considered little more than char, he attacked as a potential disaster Mr. Schroeder's talk of de-en hasizing the French-German relationship. "France," he said then, as if lecturing Mr. Schroeder, "is frightened of the economic strength and the strengthened political position of Germany. But the

miracle is that France and Germany

manage to work together. Almost a year later, with Britain un-Despite the objections, Iceland could begin collecting blood to obtain the DNA samples within six months, after a period in which citizens may decline to able to promise deeper engagement in the European Union, France is seen as a necessary central element in Germany's approach to enlarging the EU and retake part. Precisely how the blood will be collected has

See ICELAND, Page 5

stigmatized, perhaps suffering job discrimination. Patients may become less willing to divulge personal

information to their doctors. And in a country where

some estimates say that about 10 percent of the population may have been born out of wedlock, long-held

The fight in Iceland is focusing attention on the potential risks of efforts to mine and refine personal

data, efforts that are also increasingly common around

"Turning the population into electronic guinea pigs" should serve as a warning, said David Banisar of the Washington-based Electronic Privacy Information

family secrets could leak out.

the world.

With Gene Plan, Iceland Dives Into a Controversy

By John Schwartz

Washington Post Service WASHINGTON — Iceland has decided to sell the rights to the entire population's genetic code to a biotechnology company, a move that is highlighting the promise and risks of the genetic information age.

The strikingly uniform DNA of Iceland's largely blue-eyed, blond-haired populace is expected to received an invaluable resource for studying human

provide an invaluable resource for studying human genetics, leading to fundamental insights into many diseases, proponents say. "It really is a complete paradigm shift in medicine," said Jonathan Knowles, the head of research at Roche Holding Ltd., which has signed a \$200 million, five-year

deal to develop new drugs and tests from the data.

But the plan is highly controversial because it will pool richly detailed genetic, medical and genealogical information about Iceland's 270,000 residents into a set of linked databases that companies will search for clues into the nature of disease.

Sale of Citizens' Genetic Code Pits Privacy Issues vs. Science

Although a majority of Iceland's citizens support the plan, which would make Iceland the first country to sell the codes, a vocal minority of scientists and doctors - with support from a worldwide network of like-minded privacy advocates - have stoked the

'Most doctors and scientists here in Iceland are in favor of the basic purpose of this project — but find the proposed solution quite unethical and unrealistic," said Jon Erlendsson, a Reykjavík-based engineer and writer who believes the database network will eventually fail because doctors and patients will refuse to cooperate once its nature is better understood.

Opponents fear the database could make the most

private details of individuals' lives public. People with mental illness or other health problems could be

See ALLIES, Page 5

The Oppenheimer in Charge: A Diamond in the Rough

By Donald G. McNeil Jr.

OHANNESBURG — A diamond cartel is forever. Periodically, the death rattles of the Oppenheimers' cartel, which sets prices for most of the world's uncut diamonds, are said to be heard. In 1905, it was synthetic diamonds. In 1942, Roosevelt's anger. In 1960, Russian discoveries. In 1977, Israeli hoarding. In 1983, Australian discov-

eries and Zairian defection. Each time, the cartel outwitted fate. While OPEC has withered and the tin cartel collapsed, diamonds have glittered on.

It has different names, but the cartel is De Beers, and De Beers is the Oppenheimers—as is Anglo American Corp., South Africa's dominant conglomerate. In a silicon world, diamonds and gold aren't quite what they used to be, but the Oppenheimers are still the richest of their countrymen and the most important business figures in this country.

Now the third generation is officially in charge. Nicholas Frank Oppenheimer, 53—also known as Nicky, or NFO, or the Cuban, because of his beard—became chairman of De Beers a year ago and in November opened

its new headquarters in Johannesburg.

It is not an easy time. Last month, the company announced that because of falling Asian demand, it sold fewer diamonds than it had for 12 years, a mere \$3.4 billion worth. The mines are cutting back, the executives admit to sleepless nights. But not to panic. This has happened before.

In company lore, Mr. Oppenheimer's grand-father. Sir Ernest, was the daring entrepreneur, his father, Harry, the philosopher king, and Nicky is - well, something different. "Man of

action" is the take on him, but it seems silly. He is a genial teddy bear who wears funny socks and is related enough to be photo-graphed pounding an African drum with miners at a company ceremony. At the same time, he is the helmsman who negotiates billion-dollar deals with the Russians, who insist on dealing with a family member.

than Nasty Guy, "he jokes. "But you've got to have lines — and when you hit the line, that's the end of the story, nice guy or not."

In London, where he spends half his time, Mr. Oppenheimer commutes by helicopter, which he pilots. In South Africa, he has his own cricket team and personal stadium, his "grand folly," he says. In return for a \$17,000a-match donation to youth cricket, his team gets the first match with visiting national teams. There are even statuettes of him inside his stadium, but they're not imperial — they're goofy, like souvenir salt shakers.

SKED WHY he has his own team, he explains in his typically self-deprecating way, "If you're as bad a crick-eter as I am, it's the only way you get

In public, Mr. Oppenheimer is modest and often pokes fun at himself. His obligatory military service in the 1960s, he said, was spent as second-in-command of a parking lot near Pretoria, signing vehicles in and out. "The army taught me to sign my name very quickly, and that's stood me in good stead the rest of my

And he takes umbrage at an old report that as student, he drove a beat-up little car with a 'Jesus Saves' bumper sticker. "Small, yes. Not 'Jesus Saves' but something like that. But never beat-up. Never. I take great offense at the idea that I didn't look after my car."

His own personality is in stark contrast to the reputation for ruthlessness of the cartel's Central Selling Organization in London, which estimates that 70 percent of the world's rough diamonds are bought through it. (The figure was once nearly 100 percent, but Australia's output, Russia's excess gems, stolen stones and many that slip out of war-torn Africa find their own way to cutters.) The Central Selling Organization is still capable of freezing out diamond dealers who cross it. And as the biggest buyer of diamonds throughout Africa, it is still the ultimate source of funds, whether wittingly or not, for rebel movements in Angola and



Sierra Leone that control diamond mine But Nicky Oppenheimer has brought glas-nost to the business, running the Central Selling Organization since 1985 in a way very unlike that of his uncle Phillip, who was an icy and inflexible figure. He is, for example, not afraid to admit that diamonds are intrinsically worthless "except for the deep psychological need they fill" — a need that hundreds of millions of dollars in De Beers' "A Diamond

Is Forever' advertising helps create.

Nor does he mind calling a cartel a cartel, though he prefers to refer to it as "single-

channel marketing. And he views with wry amusement the fact that he cannot visit the United States, by far the company's biggest market, because of a legacy of unresolved antitrust cases stretching back decades. He has been there to ski and to see relatives in San Francisco, but since an indictment charging De Beers with fixing the prices of industrial diamonds was handed up more than four years ago, no De Beers director will enter the United States for fear of being

At the moment, he is focused on the reorganization of the De Beers-Anglo-Minorco consortium. Anglo, one of the world's biggest mining companies in gold, platinum and other minerals, is absorbing Minorco, a Luxembourg subsidiary that was established to evade anti-apartheid sanctions. The resulting company, Anglo American PLC, will move its headquarters and stock exchange listing to London from Johannesburg, to give it access to more capital.

As a result of the reorganization, hundreds of De Beers workers on the Anglo payroll are being shifted back to De Beers. And De Beers has moved its head office out of Anglo's headquarters in central Johannesburg to an amusement park in the city's south.

Beers and Anglo is not being undone, nor is the Oppenheimer stake in both, Mr. Oppenheimer says. De Beers still owns roughly 40 percent of Anglo, essentially as a cash cow and as collateral for the billions it must borrow to get through bad diamond years. To keep diamond prices ever rising gently, De Beers must buy and hold raw stones. When jewelry demand sinks, that is expensive.

Mr. Oppenheimer says it is "clearly rubbish" that the family controls both De Beers and Anglo because it "directly owns" only 8 percent of Anglo. But that has been the family line for decades.

line for decades.

In the later years of South Africa's apartheid era. Anglo was often criticized by anti-apartheid leaders for growing rich on underpaid migrant labor. It apologized to the Truth and Reconciliation Commission in November 1997 for "many missed opportunities and many mistakes made in Anglo's corporate citizenship," including failing to house workers with their families, to desegregate workplaces and to promote blacks.

While professing no interest in politics, Mr.

Nicholas Oppenheimer,

Russian diamond

left, answering questions in Moscow after the

monopoly signed a deal with De Beers in 1997.

that eased exports. 'It's much nicer to be known as Nice Guy than Nasty

Guy,' he jokes. 'But

you've got to have lines

and when you hit the

line, that's the end of the

story, nice guy or not.'

Oppenheimer enjoys good relations with the new government. He is on the board of Nelson Mandela's Children's Fund and he signed the deals that arranged for black ownership of substantial portions of two Anglo subsidiaries, Johnnic and JCI.

"There were many years in the 1980s when there was absolutely no contact between Anglo and De Beers and the government of the day, he says. "We never saw them, never talked. And that's really weird. With the present government, things have finally become normal. One feels the government is doing what it should in supporting business endeavors, and that's extremely healthy.

What, he is asked, would he like to be remembered for?

"Oh, I always find questions like that terribly difficult. One doesn't necessarily have a mission. I don't know - for being fair and

reasonable. I suppose."

It's a trick question, he is told. He was asked it by someone else 15 years before and his answer was noted.

He smiles. "What was it?" "For not being boring. For having lived a worthwhile life. For having been polite to people all one's life."

"Hmm," he said. "Sounds rather boring, if

Unsafe Wiring Problems Found On a Number of MD-11 Airliners

By Matthew L. Wald New York Times Service

WASHINGTON --- Canadian investigat-

found other problems in MD-11s they inspected that were still in service.

Based on what the Canadian examinations found, the U.S. agency in charge of invest-original aircraft wiring show evidence of ministration on Monday to order checks of more wiring on MD-11s registered in the United States. The aviation agency said it was likely to order such checks "very shortly."

unique to Swissair. Although investigators were found," the letter said.

found wiring problems with the entertainment system and other components, they have not identified the cause of the crash. The areas of the plane that showed arcing are common to all ors have found extensive wiring problems on several MD-1 Lairplanes, and U.S. safety experts say more inspections are needed to avert the threat of in-flight fires.

Investigators began checking planes after the September crash of a New York-to-Geneva Swissair flight, which killed all 229 people aboard. Wires nulled from the wreck-

people aboard. Wires pulled from the wreck- air investigations at the Canadian Transportge, near Halifax, Nova Scotia, showed signs ation Safety Board, said that the wires reof a potentially dangerous escape of elec- covered from the wreckage that showed tricity, or arcing, and the Canadian authorities arcing were two heavy-duty wires on the left side of the plane. The wires carry power necessary to fly the plane in an emergency.

igating air crashes, the National Transportation arcing, but could not be further identified or Safety Board, asked the Federal Aviation Adphysically located within the aircraft because the identifying insulation covers are missing," Mr. Maxwell wrote.

Other MD-11s showed a variety of flaws,

like wire with insulation that was chafed or In the Canadian crash, suspicion has bent too tight. Electrical conduits that should centered on the entertainment system, which have been sealed were not and "various exused large amounts of electricity and was amples of damaged, cracked, or chafed wires

Damages Case Is Thrown Out

The Associated Press

WASHINGTON -- International air passengers cannot force airlines to pay damages under local laws for injuries not covered by a treaty on air, travel, the U.S. Supreme Court ruled Tuesday.

The court's decision, 8 to 1, throws out a New York woman's \$5 million lawsuit against the Israeli airline El Al over a preflight body search in which she said she was touched inappropriately by a female security of-

The justices said that the Warsaw Convention treaty, which governs damages claims over international air travel, does not allow people to recover damages under local law for injuries not covered by the treaty it-

Tests Expose U.S. Airport Security Failings

By Matthew L. Wald

New York Times Service WASHINGTON — How good is air-

port security in the United States? Good enough, the Federal Aviation Administration has said repeatedly. Even so, efforts by outsiders to assess security at U.S. airports are all but fruitless, because the agency says it cannot provide details without giving away information that could help terrorists.

But agency reports of violations by one airline show that agents masquer- federal employees sent to ticket counters ading as passengers were able to with the assignment of drawing sussmuggle guns, hand grenades and bombs picion to themselves — by paying cash past security guards and their scanners, for the next flight out, for example, or by before the documents were released. or send the weapons in through exits.

small of her back. She set off a metal detector and was

agency documents.

The security supervisor passed the metal detector over the agent, and the 1996, were released last week. alarm sounded when it was over the area

of the handgun, according to the report.

The wand was passed over the agent a second time, and again the alarm sounsettle 84 charges against the airline for settle 84 charges against the airline fo ded in the area of the handgun.

But the security supervisor "failed to take any further action, and the subject with the handgun in her waistband entered the sterile area," the agency reported, free to proceed toward the

boarding gate.

The documents also recount how an investigator strolled unchallenged into unguarded aircraft. In another instance, refusing to show identification - proairline failed to react appropriately.

The reports were on USAir, now point security supervisor using a hand-held metal detector," according to request for government documents un-Mr. Flynn added that the tests

\$450,000 but gave no details on the On hundreds of occasions, the agency

said, the airline accepted packages from unknown shippers without verifying their contents. Under the same request, the agency released documents on safety violations

in April 1997. But 73 other alleged violations involved security. The security rules under which the

airlines operate are secret, and many details of the violations were blacked out

Cathai Flynn, the associate admin-On July 11, 1993, for example, a voked no special security precautions istrator for civil aviation security, said female agent entered the departure ter- toward their bags. Others were never that the violations summarized in the minal of Port Columbus International asked if they were carrying packages documents were characteristic of those Airport, in Columbus, Ohio, with a from strangers, or if they replied that occurring now and that USAirways' sehandgun under her waistband, in the they were carrying such packages, the curity record was about the same as all big airlines'.

But he said that these represented only selected for examination by the check-known as USA irways, and were given to the failures and that airlines pass most of 's

Mr. Flynn added that the tests were. der the Freedom of Information Act. The getting tougher, forcing airlines to detect documents, requested in November smaller smuggled objects, for example, and that generally the airlines were im-. The Times requested the documents proving.

UNIVERSITY DEGREE BACHELOR'S . MASTER'S . DOCTORATE for Work, Life and Academic Expenenci Through Convenient Home Study (808) 597-1909-EXT. 23 FAX: (310) 471-6456 http://www.pwu-hi.edu Fax or send detailed resume for FREE EVALUATION

Pacific Western University

1210 Auahi Street, Dept. 23 Honotulu, HI 96814-4922

Japan 00531116809 N. Zealand 0800441880

Thailand 001800119216613 U.S.A U.S.-Toll +949-376-8020 Fax

nd 0800441880 Ports 0800996337 Spain

ARTS & ANTIQUES

Appears every Saturday. To advertise contact Sarah Wershof in our London office: Tel.: +44 1 71 420 0326 Fax: +44 1 71 420 0338 or your nearest IHT offic

or representative.

A Must Read Complimentary Report

A Professional's Guide to Currency Speculation and Risk Management

This comprehensive report is mandatory

reading for all investors. Complete with

profitable, simple, fully disclosed trading models, an 11 year track record and all

price data for performance verification

1 0800811632 Singapore 900931007 Switzerlan

8009945757 UK +949-376-8025 email pci

80016132 8008296661 167875921

800120250

For This Free Report and Our Servies Guide Call Toil-Free (24hrs)

1800125944 Belgium 080015880 Denmark 0800902246 Gretce 0800119213013 Germany

Cliff Collapses on English Coast

EASTBOURNE, England (AP) - A massive chunk of the cliff face at a renowned coastal beauty spot has crashed into the sea in what experts said could be the biggest single loss of British coastline in recent memory. Thousands of tons of chalk tumbled 500 feet (150 meters)

into the English Channel at Beachy Head on England's southeastern coast. Experts believe the collapse may have been caused when water entered the chalk rock and expanded in volume when it froze, forcing the cliff to crumble.

TRAVEL UPDATE

Coast guards have warned people to stay away from the edge of the cliff - a notorious suicide spot - as experts try to establish whether further falls could be expected.

Slick German Roads Turn Deadly

FRANKFURT (AP) --- At least 13 people were killed and 247 injured in some 2,000 accidents reported late Monday and early Tuesday on snow- and ice-covered roads in Germany. Most of the deaths occurred in Saxony Anhalt state in Eastern Germany, where 5 people were killed and 70 were injured.

A bill to renew the U.S. Federal Aviation Administration may include a proposal to raise an airport ticket tax from \$3 to \$5, according to a Transportation Department source. (AP)

Correction

An article Tuesday misspelled the name of a former South African police officer who was denied amnesty in connection with the 1977 death of the anti-apartheid campaigner Steve. Biko. The officer is Gideon Nieuwoudt.

WEATHER Europe Forecast for Thursday through Saturday, as provided by AccuWeather.

North America Tomorrow
High Low W
CJF CJF 6924 - 2916 pc
-11/13 - 14/7 s
22/73 14/7 s
22/73 14/7 s
22/75 10/50 s
16/71 24/25 r
-2/23 - 2/13 s
-1/21 - 3/27 c Today
High LowW
GIF CIF
1-339 - 19x2 pc
978-271-16 pc
20779 17x50 sh
20779 13x55 pc
20779 13x55 pc
20773 446 s
13955 7744 pc
648 643 c
7446 643 c
846 643 c
846 843 c

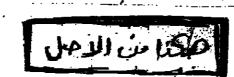
A two-month trial subscription. Save up to <u>60</u>%

Try a special, low cost 2-month trial subscription to the International Herald Tribune to enjoy delivery to your home or office every morning AND save up to 60% off

28/62 15/64 po 27/80 16/61 s 19/68 12/83 pc 21/70 13/55 pc 21/70 11/82 pc 19/66 11/52 pc 16/61 6/43 pc 18/64 6/42 pc 16/61 7/44 s 16/61 6/43 pc 23/73 7/44 s 24/75 6/41 s 16/61 9/49 st 19/66 11/52 c 12/53 3/37 pc 12/53 5/41 pc Yes, I would like to start receiving the International Herald Tribuna.

My check is enclosed (payable to the IHT) Charge trny: Ames: Dinners TVSA Access MosterCord Discrete For ex-US and Asian prices, credit cards will be charged in French France at current rates. lgot this copy of the IHT at: □ keask □ hotel □ airline □ other | I got this copy of the IHT et. | I keek | I hotel | eirline | other | 13 |
| I do not wish to receive information from other carefully screened companies
| Moil or fax to: International Heroid Tribune |
| RURCOPE, MIDDLE EAST & AFRICA |
| 181 Ave Charles de Goulle, 92521 Neully Cades, France | Fax: +33 | 41 43 92 (b) | 161 +33 | 41 43 93 (b) |
| 104 Avenue, New York, N Y 1 0022-6275, USA |
| 105 Fax: +1 212 755 8785, Ne. | 160 free | 1-800-882-2884 |
| 1201 K. Woh Centre, 191 Jave Road, North Point, Hong Kong | Fax: +852 2922 1197 | 161 +852 2922 1171 |
| E-Marik: substitut.com - Asia: substitutible com - Internet: www. For business orders, indicate your VAT No. (IHT VAT Number FR74732021126) Mr/Mrs/Ms Fornily Name

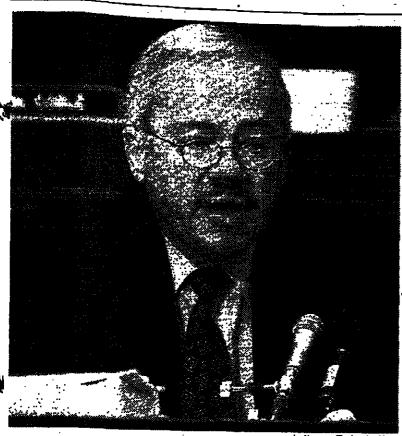
Middle East



Brain

THE AMERICAS

Clinton Team Attacks 'Hyperbole' in Republicans' Opening Legal Brief



Robert Barr, a House "manager," says he has never perjured himself.

A Turning of the Tables Publisher of Hustler Levels a Charge Of Hypocrisy at a Clinton 'Prosecutor'.

By Howard Kurtz ashovion Post Service

12 1) hall military nerging pleg

Terrate attention $m_{ab}\,m_{bh}$ feeth dimentalist ge tienen mi felt.

and expense h

the extended he king

a true than \

be poken that

* 2004 La Hatte little

de selecte som little

but the red of

ting you or led.

Failings

WASHINGTON — In a bit of televised theatrics, the publisher of is now his third wife.

Mr. Flynt contrasted Mr. Barr's our personal lives in any way, shape or invocation of a judicial privilege un- form with the news media. der Georgia law with the congressman's harsh criticism of President his second wife, Gail, Mr. Barr de-Bill Clinton for evasive testimony under oath about his relationship with Monica Lewinsky. Mr. Barr is one of ally during the marriage?" and "Have impeachment at the Senate trial.

Republican politicians' personal lives tions were "irrelevant." have made him the focus of enormous nedia attention, leveled his charge on in October with a full-page ad in The *CNBC's "Rivera Live" and planned to repeat it at a Los Angeles news million to anyone who could prove an conference. After watching the Rivera broadcast, executives at C-SPAN, which televises congressional proceedings, canceled plans to air the Bob Livingston, Republican of

that Congressman Barr has taken a the House speakership and saying he moral and ethical position that is would resign from Congress.

inconsistent with the position he's

taken as a congressman. Mr. Barr said that he had "never perjured" himself and that he was "deeply saddened that Larry Flynt's lustler magazine. Larry Flynt, has money has been used in an attempt to accused Representative Robert Barr drive a wedge between the mother and Ir., Republican of Georgia, of hy- father of two wonderful boys who pocrisy for refusing to answer ques- deserve better than to become intions in a divorce proceeding about volved in the politics of personal his relationship with the woman who destruction." He added that he would not add to these efforts "by discussing

In the divorce proceeding involving clined to answer such questions as "Have you been faithful to her sexuthe 13 House "managers" who will you ever lived with Jerry Dobbin?" a present the case for Mr. Clinton's reference to Mr. Barr's wife since 1986, Jerilyn. Mr. Bart's attorney said Mr. Flynt, whose investigations of during the proceeding that such ques-

Mr. Flynt began his investigations Washington Post, offering up to \$1 adulterous encounter with a member of Congress or senior government official. Last month, Representative news conference.

"I'm looking to expose the hypocrites," Mr. Flynt said. "I believe past extramarital affairs, renouncing

Away From Politics

· A man who stabbed to death two women at a Quaker meeting house in Lincoln, Nebraska is scheduled to be executed in the electric chair Thursday despite pleas by Quaker leaders that the man's life be spared. Clergy from the Religious Society of Friends joined the victims' families to ask the state's govnor and other members of the Nebraska Board of Pardons to grant Randolph Reeves a last-minute clemency hearing. The three-member board unanimously voted not to commute the

• Since New York City banned smoking in restaurants in 1995, restaurateurs have complained that the prohibition is bad for business. But a group of academic researchers, admittedly nonsmokers, released a series of analyses suggesting that the ban has not burt business. The studies, which were financed by the Substance Abuse Policy

Research Program showed that restaurant industry jobs rose 18 percent from 1993 to 1997, to 19,347. In the same period, sales tax receipts rose 2 percent at restaurants in the city but dropped 4 percent in the rest of the state. (NYT)

• Officials at Kent State University have authorized new memorials for the four students killed during a 1970 protest against the Vietnam War. The markers will be installed in four parking spaces that will be sealed off from the rest of the parking lot, said a spokesman for the college in Kent, Ohio. (AP)

• For the first time since octuplets were born to Nkem Chukwu in December, she got to hold one of her babies, Jioke Louis. At 2 pounds (1 kilogram), he is the most robust of the seven surviving babies, all of whom remain in critical condition, since their birth at Texas Children's Hospital.

By Brian Knowlton : International Herald Tribune

WASHINGTON - The White House, shedding the restraint it had shown since the Senate impeachment trial of President Bill Clinton formally opened, derided the House Republicans' first legal brief in the case on Tuesday as something resembling a cheap mystery" full of "hyberbole and overblown rhetoric.

The hallmark of a weak case is one where the charges are constantly shifting, as they are here," said the White House spokesman, foe Lockhart.

He made his comments a day after the Clinton legal team submitted a 13-page document outlining the president's defense and vigorously denying that he had obstructed justice or made "per-jurious, false and misleading statements to the grand jury" about his relationship with Monica Lewinsky.

It said that the charges against Mr. Clinton "do not rise to the level of 'high crimes and misdemeanors' as contem-

plated by the founding fathers.

utors in the Senate trial asserted that the evidence calling for Mr. Clinton's removal from office was so overwhelming that if this president escaped conviction, then "no House of Representatives will ever be able to impeach again and no Senate will ever convict."

White House lawyers were working Tuesday to provide a rebuttal to the House memorandum by a Wednesday deadline, Mr. Lockhart said.

The pointed comments by Mr. Lockhart left some uncertainty about the approach the White House plans to take. During the House impeachment proceedings, the White House strategists used every opportunity to portray Mr. Clinton's critics, and above all the independent counsel, Kenneth Starr, as being driven by a partisan desire to punish him. That approach appeared to play well with the public.

But after all 100 members of the

Senate agreed Friday, in a rare display of bipartisanship, on a plan for the im-peachment trial, the White House ap-peared loath to disrupt the new tone of comity. It decided Monday not to file an

wait instead until opening arguments had been made in the Senate.

The House prosecutors, meanwhile, were completing preparations for their opening argument to the Senate, to begin at 1 P.M. Thursday and probably to be completed Saturday. The White House legal team will then have 24 hours to make its own case, probably beginning Monday or Tuesday.

On Tuesday, in what the Senate minority leader. Senator Tom Daschle. called an "uncomfortable" coincid-ence, Mr. Clinton plans to deliver his State of the Union Message before a joint session of Congress.

The president has kept a relatively low profile in recent days. On Monday, when he welcomed President Carlos Menem of Argentina for a state visit, Mr. Clinton decided not to hold a joint news conference afterward. Advisers indicated that at such a delicate time, Mr. Clinton did not want to face questions about the impeachment trial.

He spent part of the weekend working on a 20- to 30-page draft of the speech,

House Republicans serving as prosec- early motion to dismiss the case, but to Clinton's advisers view the State of the Union Message as one of his most important opportunities to persuade Americans that he is still working, undistracted, on the nation's business.

The annual address generally leads to a temporary boost in opinion poll ratings. Throughout the past year, the White House has seen Mr. Clinton's persistently high ratings as his best defense against the forces of impeachment.

A recent Washington Post-ABC News poll found that most Americans do not expect to be influenced by the Senate trial. Eighty-five percent of those polled said they had made up their minds about the case. That is good news for Mr. Clinton, because opinion polls continue to show him enjoying job support ratings of about 65 percent. That is slightly below the peak, last month, of 73 percent in some polls, but still extraordinarily high at this point in a pres-

ident's second term.

Referring to the State of the Union Message, a White House deputy chief of staff, Maria Echaveste, said: "Our objective is to show continued vitality and

Conviction Is Imperative, House 'Managers' Say

By Ruth Marcus Washington Post Service

WASHINGTON — As they expanded their case against President Bill Clinton, House prosecutors have warned the Senate that failure to convict the president would doom the nation to a system in which future presidents would operate free from fear of being removed

But the White House, in a brief answering the charges, clashed with the prosecutors on both fundamental questions of constitutional law and the facts underlying Mr. Clinton's efforts to conceal his relationship with Monica Lewinsky, a former White House intern. The White House asserted that the

two articles of impeachment "do not permit the conviction and removal from office of a duly elected president." In a 105-page trial memorandum sub-mitted Monday, the 13 House "man-

agers" — who are prosecuting the case against Mr. Clinton — called the Senate impeachment trial "a defining moment for the presidency as an institution." They declared that "no House of

Representatives will ever be able to impeach again and no Senate will ever convict" if Mr. Clinton is able to escape The bar will be so high that only a

convicted felon or a traitor will need to be concerned," the managers wrote. 'If this is not enough, what is? How far can the standard be lowered without

npletely compromising the credib ility of the office for all time?" Such sharp rhetoric about future impeachment cases was one of several new wrinkles in what was otherwise a re-

capitulation of the case against Mr. Clinton, as outlined in the House Judiciary Committee's impeachment report last month. For the first time, the prosecutors also

cast as part of a "devastating" pattern of obstruction of justice President Clinton's allegedly perjurious statements when he gave a deposition in the Paula Jones sexual harassment case. And the brief invoked, as part of the

obstruction-of-justice case, what it said were efforts by Mr. Clinton and White House aides to undermine Ms. Lewinsky's credibility in the days after the story broke last January.

The two filings highlighted what are certain to be contentious issues in the

trial, which resumes later this week. In voting on the articles of impeach-

ment last month, the House of Representatives defeated an article, approved by the Judiciary Committee, accusing Mr. Clinton of lying in the Jones

The House managers have argued previously that Mr. Clinton's statement in his later grand jury testimony that he testified truthfully in the Jones case would allow them to present proof during the trial of all of his allegedly false statements during the deposition as

By casting his alleged deposition per-jury as obstruction of justice, the man-agers would have another potential av-

position testimony, which even some White House aides view as problem-

In its filing on Monday, the White House attacked the ability of the managers to raise the matter of Mr. Clinton's deposition testimony.

The White House said that Mr. Clinton "was not asked to and did not broadly restate or reaffirm his Jones deposition testimony.

Noting that the full House rejected an article accusing the president of perjury in the Jones case, the White House said, The House managers should not be allowed to prosecute before the Senate an article of impeachment which the full House has rejected."

The House brief also argues, as part of its obstruction case, that "the president and his representatives orchestrated a campaign to discredit Ms. Lewinsky in order to affect adversely her credibility as a witness, and thereby

enue for bringing in Mr. Clinton's de- attempted to obstruct justice both in the

Jones case and the grand jury."
Representative Lindsey Graham, Republican of South Carolina, raised this line of attack during the Judiciary Committee debate on the impeachment articles, but it has not been previously cited by the House in making its obstruction

In fact, the White House served notice in its filing that it would attack both the obstruction-of-justice and grand jury perjury articles as overly vague and failing to give Mr. Clinton adequate notice of the exact charges he was fa-

"Without such fair warning, no one can mount the defense to which every person is entitled," the White House

"Fundamental due process is the ight of the president to be adequately informed of the charges so that he is able to confront those charges and defend The two sides also disagreed about how the Senate should approach the evidence that is about to be laid before

The White House urged a microscopic view, saying a detailed examination of Mr. Clinton's precise statements at the grand jury would undermine the

perjury case against him. Similarly, it argued, a careful look at the president's actions would show that, while not admirable, they do not amount

to obstruction of justice. The House, on the other hand, stressed that the Senate should consider the entire pattern of Mr. Clinton's ac-

'It is essential to avoid considering

each event in isolation, and then treating it separately," the managers said.
"Events and words that may seem innocent or even exculpatory in a vacuum may well take on a sinister or even criminal connotation when observed in

the context of the whole plot.

POLITICAL NOTES

White House Tango

WASHINGTON - Inspired as he watched the actor Robert Duvall effortlessly glide across the floor of the White House's East Room, President Bill Clinton gave up his seat and showed the Argentine delegation that he can tango with the best of them.

The president and Hillary Rodham

Clinton capped a state dinner tribute to President Carlos Saul Menem of Argentina on Monday night by indulging in a few rounds of the dance.

Mr. Menem escorted Mrs. Clinton to the dance floor, while Mr. Clinton perfected his tango technique with Amanda de Fernandez, the wife of Argentina's economics minister. Mr. Duvall, who became smitten

with the dance after he saw it performed 12 years ago and has honed his abilities in more than 15 visits to Buenos Aires, dazzled the 170 guests who watched him glide across the makeshift dance floor. "I'll never look at you the same way again, Robert!" exclaimed the president after watching Mr. Duvall with his partner, Luciana Pedraza.

The festive mood, and the focus on U.S.-Argentine relations, managed to divert attention from the impeachment trial before the Senate. The guest list included 7 of the 100 senators standing in judgment of the president, but several said they could put the question aside for the evening.

Guests dined on lemon-herb roasted chicken, grilled vegetable risotto, tomato basil broth, seared striped bass, a cassoulet of crab, corn and fava beans, sauteed morels and sweet potato, with a salad of kale, endive and spinach. For dessert, it was back to Argen-

tina: frozen dulce de leche, a confection of caramel and baked pineapple ringed with fresh coconut and red cur-

President Clinton tangoing with Amanda de Fernandez, wife of the Argentine economics minister, at a state dinner at the White House.

made of chocolate, dancing the tango beneath a nalm tree. (AP)

Typo in the Senate

used by U.S. senators to pledge impartial justice in President Clinton's impeachment trial contained a misprint: "Untied States Senator." The senators got to keep the pens,

JANESVILLE, Wisconsin --- Pens

black and silver Parker Vectors, that they signed with last Thursday. The Senate is like any good cus-

tomer of ours and we will reprint the order and make things right," said

rant. Topping the dessert was a couple made of chocolate, dancing the tango

Michele Szynal, a spokeswoman for The Gillette Co. 's Stationery Products Group in Janesville.

Quote/Unquote

Representative Robert Barr Jr., Republican of Georgia and one of the 13 House "managers" presenting the impeachment case in the Senate, denying allegations that he lied about an affair during divorce proceedings: "I have steadfastly worked throughout the impeachment debate to focus attention on substantive issues like perjury and obstruction of justice, and away from lurid personal allegations."

Growth in Medicare Spending Slows to a Trickle

By Robert Pear

WASHINGTON - The growth of Medicare virtually stopped last year as spending in the giant health insurance program for the elderly rose just 1.5 percent, the smallest increase since the beginning of the program in 1965, new government data show.

The slower rate of growth will probably add a few years to the life of the Medicare trust fund that pays hospital

It may also temporarily re-lax the pressure on Congress to redesign the program. But officials said it did not funterm outlook for Medicare,

bills for the elderly.

gible for it after 2010. Analysts offer several explanations for the near-halt in growth. For one, the U.S. fraud and abuse also appear to as a whole, which increased 3 Congress intentionally have slowed the growth of percent.

RESIDENTIAL REAL ESTATE

Appears every Friday in the Intermarket. To advertise contact Sonya Broadhead in our London office: Tel.: + 44 1 71 420 0325 / Fax: + 44 1 71 420 0338

or your nearest IHT office or representative.

new costs as the baby-boom

the Balanced Budget Act of Healthcare Corp. had sent a damentally alter the long- have exceeded expectations. In addition, health main-

generation born just after than the payments they re-world War II becomes eli-ceive, have dropped more claims. than 400,000 Medicare patients from their rolls. Federal efforts to curb slowly than the federal budget

their costs are rising faster

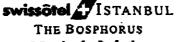
dustry and encouraged greatwhich will incur immense tenance organizations, saying providers of all types, including costs as the haby-boom their costs are rising faster ing doctors, who fear prosec-

spending last year grew more

In the past decade, Medicurbed payments to hospitals, Medicare. Health-care exec-home health agencies and universaid the federal invest-other health care providers in igation of Columbia/HCA of \$12.8 billion, or about 10 percent, each year. But in 1997, and the savings so far chill through the hospital in-have exceeded expectations. dustry and encouraged great-to a total of \$213.6 billion, er compliance by health-care according to recent statements providers of all types, includ- of federal spending from the Treasury Department.

The number of Medicare beneficiaries grew last year For the first time, Medicare by slightly more than 1 percent, to 39 million, so the average increase in Medicare spending for each beneficiary

A Great Location



for Business Travellers

WWW. PRIME SITES

WWW.

List your website and e-mail address in our new "Prime Sites" section every Thursday.

For Rates and Deadlines, contact:

Europe: Sarah Wershof Tel.: (44-171) 420 0326

Fax: (44-171) 420 0338

North America: Sandy O'Hara

Tel.: (1-212) 752 3890 or 800 572 7212 Fax: (1-212) 755 8785

e-mail: The_INTERMARKET@iht.com



THE WORLD'S DAILY NEWSPAPER

ASIA/PACIFIC

Cambodian Refugees Return Under UN Plan

Hundreds Cross the Border From Thailand

decades under fanatical Khmer Rouge leaders, hundreds of refugees crossed from Thailand into Cambodia on Tuesday in a repatriation effort that will return them to homes they have not seen since the 1970s.

The 395 refugees from Phu Noi camp in Thailand's Si Sa Ket Province are the first to seize an offer from the United Nations to be resettled anywhere in

Cambodia they choose.

They fled to Thailand in May when Khmer Rouge forces collapsed and their stronghold at Anlong Veng fell to gov-

ernment troops.

Before that, they had lived under Khmer Rouge control since 1975, when the

Australia Shifts Political Goals For East Timor

Compiled in Our Staff From Disputetes

CANBERRA -- The Australian government has changed policy and now supports self-determination for the In-donesian territory of East Timor, senior

ministers said Tuesday.

The government, which previously supported only autonomy for the territory, said it backed a political settlement that could put East Timor on the path to long-term independence.

Australia is the only Western country to recognize Indonesian sovereignty over East Timor, and its policy shift prompted Jakarta to deny that independence was on the agenda.

'The Indonesian government has no plans to talk about that question," State

Secretary Akbar Tandjung said. Earlier, Foreign Minister Alexander Downer of Australia said that his country still considered independence a "secondbest outcome," but that it now supported a deal offering complete self-determin-

ation after a period of autonomy. "Our approach to East Timor is, I suppose, somewhat akin to the way the Matignon approach worked in New Caledonia," he said, citing the pact that sets the South Pacific territory on the road to independence from France after

15 years of self-rule. "First of all you would have to put in place an autonomy package." Mr. Downer said at a news conference. "The people of East Timor have an opportunity to see how sincere autonomy really was, and in the end give them, some years down the track, the opportunity to pass judgment on whether they wanted to continue with

An East Timorese independence campaigner, Jose Ramos Horta, welcomed Australia's policy shift. "I would say we are on the same wavelength for the first time in many

Indonesia invaded East Timor in 1975 after the departure of its Portuguese colonizers and annexed it the next year in a move never recognized by (AP. Reuters) the United Nations.

The Associated Press radical Maoisis seized control of the PHNOM PENH — After living for country and began a reign of terror under which more than a million people were killed.

When the Khmer Rouge were ousted by a Vietnamese invasion in 1979, they fled to northwestern Cambodia and ended up in isolated hamlets controlled by guerrillas waging civil war against the government.

The grip the guerrillas maintained on the refugees' lives began to loosen last year as mutinies and defections slowly eroded the strength of the Khmer Rouge

Not surprisingly, the refugees grabbed the opportunity to escape the mine-ridden jungles along Cambodia's northern border.

"They have exercised their choice, and their choice is to go someplace other than Anlong Veng," said Nellie Chan, a representative of the UN High Commissioner for Refugees.

Anlong Veng erupted in rebellion in March when several guerrilla commanders turned against their chief. Ta Mok, known as "The Butcher." He was further isolated last month when his remaining generals surrendered in a de-fection seen as the end of the Khmer Rouge army.

That cleared the way for the repat-riation of about 14,000 Cambodians at Phu Noi. But the refugee commission is moving slowly because of reports that Khmer Rouge leaders are coercing people to move back to Anlong Veng.

"What we are speculating is that they are likely trying to hold onto their power," Miss Chan said. "In order to have power, you have to have a base, you have to have people."

The first returning refugees entered Cambodia at Poipet, 344 kilometers (215 miles) northwest of Phnom Penh, and were to spend the night at a UN repatriation center inside the country,

To date, 10,079 Cambodian refugees have been repatriated from Thailand since October 1997.

■ Measured Support for Trial

The government said Tuesday it supported a trial for Khmer Rouge leaders but highlighted concerns over the country's fragile peace, Agence France-Presse reported.

Officials also argued that foreign supporters of the guerrillas during their rule in the 1970s stood to be embarrassed by courtroom revelations that would emerge at any trial.

Justice should be done but civil war should not be started, and countries who had backed relations with them should not be exposed," a Foreign Ministry spokesman, Hor Sothoun, said-

Deputy Prime Minister Sar Kheng echoed the sentiments, highlighting the lack of political will here to see through a trial. "We need peace and need to put an end to war in our country." said Sar Kheng, who added that Cambodia "lose everything" if thrown

back into conflict. Close aides to the Khmer Rouge ideologue Nuon Chea and the nominal guerrilla leader Khieu Samphan, who defected to the government on Dec. 25. have warned of conflict if they are called to answer for their roles in the Pol Pot regime.



Thai troops watching refugees at Phu Noi border camp board buses bound for Cambodia on Tuesday.

U.S. Ties North Korea Aid to Arms Inspections

YOKOTA AIR BASE, Japan --- Defense Secretary William Cohen warned North Korea on Tuesday that it must allow inspections of a suspected nuclear weapons site or risk losing financial aid for a nuclear power project.

Mr. Cohen said the continued refusal to allow an inspection of the underground site would make it hard to persuade taxpayers in the United States, Japan and South Korea to help finance nuclear reactors in North Korea.

Those three countries agreed in 1994 to build two light-water nuclear reactors after North Korea said it would freeze and eventually dismantle its nuclear

against toxic-waste dumping.

Sihanouk Hints at Amnesty

PHNOM PENH - King Norodom Sihanouk said Tues-

Kim Sen and Meas Minear, investigators from the rights

group Licadho, were monitoring a demonstration last

month against a shipment of mercury-laced waste from

customs inspection office and the deputy governor's home. The rights workers were arrested the next day for allegedly

India's Catholics Accuse Hindus

NEW DELHI - The recent attacks on Christians in

India are the work of a small minority of high-caste Hindu

radicals who are afraid the church's work among the poor

will erode their status, a spokesman for the Roman Catholic

Christians who have been accused of converting Hindus

Taiwan dumped near the seaport of Sihanoukville.

day he would probably grant amnesty to two human-rights

workers if they were convicted of inciting violence in riots

weapons program.

Mr. Cohen scoffed at North Korea's demand for \$300 million in exchange for the right to inspect the site, which is north of Pyongyang, North Korea's capital. "It's a pretty expensive peek into an underground facility," he said. Mr. Cohen, who arrived in Japan on

Monday for a four-day visit, made the comments while touring the Yokota Air Base on the outskirts of Tokyo. He later flew to another U.S. base in northern Japan and was to begin talks with Japanese government leaders Wednesday. He was to pay a courtesy call on Prime Minister Keizo Obuchi before flying to South Korea on Thursday.

■ Sorting Out the Spratlys

President Joseph Estrada of the Philippines said Tuesday that his govern-ment would call for a meeting among nations with rival claims to the Spratly Islands in an effort to reduce tensions in the South China Sea, The Associated Press reported from Manila.

The Philippines' defense secretary, Orlando Mercado, said Mr. Cohen recently suggested such a meeting.

The Spratlys, which straddle vital sea lanes in the South China Sea, are claimed in whole or in part by the Philippines, China, Vietnam, Taiwan, Malaysia and Brunei.

BRIEFLY allowed people to stand up and ask for equality." He said missionaries had made people aware of their dignity and

encouraged them to demand equal treatment. Brahmins are at the top of a Hindu hierarchy that divides society into four castes and a lower group outside the caste system once known as the untouchables but now commonly called Dalits, or the oppressed. Brahmins, who are only 2 percent of Hindus, dominate all spheres of life; Dalits are among the poorest Indians.

The protest turned into a riot, and protesters ransacked a **Prosecutors Cite Suharto Wrongs**

JAKARTA - Indonesian prosecutors have found evidence that former President Suharto may have violated the law during his 32-year rule but say they are not ready to label him a suspect.

office, said Tuesday that prosecutors had found evidence of some wrongdoing in setting up the country's "national car" project and in the use of funds from some charities. They still need to question more witnesses, he said, without elaborating. President B. J. Habibie. who succeeded Suharto last May, has been under pressure to

investigate his longtime mentor over his alleged abuse of by force or trickery went on the offensive in what has power, especially for enriching his family and associates. Father Dominic Emmanuel, spokesman for the arch-diocese of Delhi, said, "One caste has dominated and not

Under Indonesian law, people are named as suspects after preliminary questioning but before formal charges are

INTERNATIONAL

become an increasingly bitter debate in India.

Nigeria Vote Marks Step Toward Civilian Rule

By James Rupert

LAGOS - A broad coalition of prominent centrist politicians has consolidated its bid to lead Nigeria's first civilian government in 15 years. The weekend vote for governors

and state legislators was the second step, after local elections held last month, toward transferring political power from a ruling military council to an elected government in Africa's most populous country. Analysts say the two rounds of

clean voting established an important precedent for next month's scheduled elections of a national legislature and president.
Nigeria's promised transition to ci-

vilian rule, which arose from the sudden death six months ago of the country's military dictator, General Sani

Sankoh, was flown Tuesday to neigh-

sador to Guinea. Ali Kamara, said in

Mr. Kamara said that Mr. Sankoh.

the leader of the rebel Revolutionary

United Front, was taken from gov-

ernment custody in Freetown and

flown to the Guinean capital along

The ambassador said Mr. Sankoh,

with West African mediators.

diplomats said.

Abacha, has been celebrated by African democracy advocates as an influential model for many smaller authoritarian states that surround it. General Abacha's successor, General Abdulsalami Abubakar, has won broad praise for sticking to his vow to hand back power, after many earlier ruling generals reneged on similar

But the vote Saturday also carried a reminder that the scheduled installwill carry no guarantee of improved political stability here. The vote was canceled in Bayelsa

state, Nigeria's richest oil-producing center, at the southern tip of the Niger River delta. There, youths of the Ijaw ethnic group battled police and soldiers last week over their demand that the impoverished Ijaws share more in political power and in the oil wealth was the All People's Party, which

Sierra Leone Sends Rebel Leader to Talks

Leone's detained rebel leader, Foday government of President Ahmad Te-

whose rebel forces captured eastern. High Commissioner for Refugees

and central areas of Freetown on Jan. agency has warned of a "humanit-

6, was in talks in Conakry with the arian catastrophe" in Freetown.

senior UN official on Sierra Leone. where food stocks are running low

negotiations." Sierra Leone's ambas- discussing a cease-fire.

isters of Guinea, Sierra Leone, Togo have been cut off.

and Ivory Coast. Mr. Sankoh has been

jan Kabbah and its military backers,

boring Guinea Tuesday for talks the Nigerian-led West African force about ending the fighting in Freetown, diplomats said.

In real or the start of the Nigerian force about ending the fighting in Freetown, diplomats said.

In real or the start of the Nigerian force about ending the fighting in Freetown, diplomats said.

In real or the start of the Nigerian force as the Nigerian force and the Nigerian force as the Nigerian force as the Nigerian force and t

'He is here in Conakry and is in have insisted on seeing him before Groups of rebels and isolated gunmen

burned parts of Freetown, Sierra Le- the sources said.

Meanwhile, rebels looted and

one's capital. Tuesday as they were

chased from the city by Ecomog

Much of the city lies in ruins less

The office of the United Nations

Francis Okelo, and the foreign min- and electricity, water and phone lines firefighters were unable to intervene.

troops, according to several sources.

than a week after rebels of the Re-

volutionary United Front invaded.

ABIDIAN, Ivory Coast - Sierra detained for the past two years, by the for civilians, said Kris Janowski, a

pumped from beneath their swampland. Of 30 state governors' elections whose results were declared Monday, the People's Democratic Party won 19 outright. By taking just over 50 percent of gubernatorial votes east overall, the party continued its domination of the emerging polit-

Church said Tuesday.

ical landscape. The People's Democratic Party is a broad alliance of career politicians, reminder that the scheduled install-ation of a civilian government in May posed General Abacha last year as he sought to stage elections designed to transform him from military ruler to a civilian president. Its presidential candidate is likely to be General Olusegun Obasanjo, a former military ruler who, in 1979, handed power voluntarily to an elected government.

The runner-up in the voting - as it was in local elections last month -

"The situation is quite térrifying

By Tuesday morning, little fighting

by hundreds of new troops in recent

still roamed the streets, however, in

According to a helicopter pilot fer-

rying Nigerian troops between Lungi

International Airport and Freetown,

much of the city had gone up in flames, including West Africa's oldest

institution of higher education. Fourth

Bay College. Also set aftre were the

Connaught Hospital, the central tele-

phone exchange, dockyard ware-

houses and countless homes.

areas officially controlled by Ecomog.

spokesman for the UN agency.

includes some civilian leaders who supported General Abacha. The party won eight governorships and about 36 percent of the total vote. A third party, the Alliance for Democracy, swept the six state races in its stronghold, the ethnic Yoruba-populated Southwest, taking 13 percent of the

overall vote. The three parties are the only ones permitted to enter state- and nationallevel elections by virtue of having shown the broadest nationwide bases in local elections in December. Such provisions, which forced small, regional parties to ally with larger ones or quit the race, have been used for years in Nigeria in an effort to prevent tribal politics in this country of more

than 200 ethnic groups.

Observers from the Washingtonbased International Republican Institute and the London-based Commonwealth of Nations were among those who praised the technical conduct of the voting.

There was an evident improvement in the procedure of electoral officials compared to December's elections; things were much more orderly. but I think there has to be some concern over turnout," said K. Srinavasn, head of the Commonwealth monitoring group. He said participation ap-peared to have dipped below the 46 percent of the voting last month.

The voting Saturday was calmer than last month's. One person was reported killed, as opposed to the 10 who died in various clashes in the first round of balloting. The results Monday strengthened evidence that General Obasanjo, while strong nationally, is weak in his home base. It was the Alliance for Democracy rather than General Obasanjo's People's Democratic Party that won the gov-

ernment of his home state, Ogun.

A month ago, General Obasanjo also failed to deliver the local government in Ogun to his party. General With the city's water supply cut off. Obasanjo is a Yoruba, but is widely opposed from within his ethnic (Reuters, AFP) group.

UN May Add Sanctions Against Angola Rebels

BRIEFLY

UNITED NATIONS, New York --- The UN Security Council has prepared a draft resolution warning Angolan rebels it may impose telecommunications sanctions on them following the downing of two UN-chartered planes over rebel-held territory.

The resolution also expresses the council's willingness to reinforce other sanctions, which include a ban on diamond exports by the rebels of the National Union for the Total Independence of Angola, or UNITA.

The resolution condemns the downing of the aircraft and demands that the UNITA leader, Jonas Savimbi, cooperate with a search and rescue mission and investigation.

Cape Town Protester Dies

CAPE TOWN - Muslim groups vowed Tuesday to avenge the death of a protester who died after being hit by a rubber bullet fired by police at an anti-British demonstration.

"We want nothing less than the head of the one who instructed police to fire at the crowd on that day when Yusuf died," the leader of the vigilante group People against Gangsterism and Drugs, Abdusalaam Ebrahim, told mourners at a rally before Yusuf Jacobs's funeral.

Another protester and a journalist were also hit by rubber bullets at the demonstration last Friday during a visit by Prime Minister Tony Blair of Britain.

U.S. Regrets Cuba Rebuff

WASHINGTON --- The State Department has expressed disappointment over the cool response of Cuban officials to U.S. initiatives designed to increase cash flows to ordinary Cubans and expand people to people contact.

"It is hard not to be disappointed by the initial public response the Cuban officials have made that could make it less likely that the benefits of this arrangement to the Cuban people would be made possible," the department spokesman, James Rubin, said Monday. (AP)

Crackdown In China May Grow, U.S. Fears

By John Mintz and Barton Gellman

WASHINGTON - As U.S. and Chinese officials held their first niceting exclusively devoted to human rights since 1995, Clinton administration officials have expressed fears that the Chinese government may imprison hundreds more activists to prevent the formation of the country's first op-

position political party.
In sessions here Monday and Tuesday, the assistant secretary of state for human rights, Harold Koh, was ex-pected to echo American protests of the recent crackdown by Beijing. At the same time. Washington is signaling that it is committed to continuing cooperation with China in other areas.

Secretary of State Madeleine Applications of U.S. concerns as the U.S. and Chinese delegations met Tuesday for the second day of the human

rights dialogue.
"Assistant Secretary Koh is laying out our views on the recent events and the fact that we are very disturbed by what is going on." she said at a news conference with Foreign Minister Guido Di Tella of Argentina. "We believe that it is very important

for a country such as China, which has great responsibilities and is a hugely important country, to be able to benefit by the free participation of all its people," she added.

In recent weeks Beijing has imprisoned six dissidents for attempting to organize the China Democracy Party. U.S. officials have responded to the arrests with a stream of public de-nunciations and diplomatic demarcher. A demarche is a strongly worded dip-lomatic protest, delivered by hand to a foreign government.

But senior U.S. government officials also have said privately that they are not surprised that Chinese activists' frontal assault on the center of Beijing's political power has produced a crackdown. For months Beijing officials tried to persuade the dissidents to back off by harassing and warning them before resorting to arrests, U.S. officials said.

Clinton administration officials say the arrests could adversely affect Prime Minister Zhu Rongji's planned visit to Washington in the spring, but would not cause its cancellation.

"I would hope that Zhu would come," said the White House national security adviser, Samuel Berger.

· "It's even more important when wa pendulum on human rights appears to be swinging back for us to talk face to face with Zhu and other leaders." Mr. Berger said. "They have to understand there is an international standard of acceptable human rights practice, and that they never can be fully accepted as a great country until they meet that

The last time representatives from the United States and China met for such a human rights gathering was four years ago. During a summit meeting last summer, President Bill Clinton and President Jiang Zemin agreed to resume the sessions, and this week's gathering led by Mr. Koh and the assistant foreign

minister, Wang Guangya, is the result.

U.S. officials were quick to condemn
the recent arrests, which resulted in stiffer jail terms for dissidents than U.S. officials had anticipated, with sentences of up to 13 years in prisons or labor

Jim Sasser, U.S. ambassador in Beijing, delivered a demarche on Dec. 9 to Qian Qichen, former foreign minister and now vice premier. Mr. Sasser said that continued political repression could "negatively affect preparations for and ultimately the success of Prime

Minister Zhu Rongji's planned visit.

On Dec. 23 a demarche by the U.S. charge d'affaires William McCahill and a European Union representative said the West is "deeply concerned" about the jail sentences, and that China "lacked substantive procedural safeguards" to protect citizens' rights.

But in interviews over the past week. U.S. officials said they doubted the crackdown would alter the U.S.-China relationship.

There was never any question that

the Chinese government would tolerate the formation of an opposition party. one administration official said. American officials admire the courage of the Chinese dissidents, but even many, Chinese democrats ask whether that was a wise course," the official added. Nearly 10 years after Chinese troops

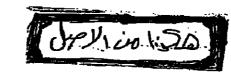
killed pro-democracy activists who had demonstrated in Beijing's Tiananmen Square, Chinese officials believe that "faced with opposition, they have to move swiftly and firmly before any momentum develops," the official said.

More Japan Youths Breaking the Law

. The Associated Press TOKYO - Juvenile crime in Japan surged by 14 percent in 1997 from the

previous year, a government report re-

leased Tuesday said. The report attributed the rise to the failure of adults to provide children with appropriate guidance. It called on families and communities to play a greater role in bringing up children. In 199 152,825 youngsters between the ages of 14 and 19 were arrested on criminal charges. While theft was the most common crime, the report also noted a growing trend of violent crime.



EUROPE

On the Outside Looking In, Greece Is Gloomy Over Euroland'

By Marcia Kurop Special to the Herald Tribu

ATHENS — For a country that has long bristled at its status as the political and economic black sheep of the European Union — not to mention a nopulation that hates to miss any good delebration — Greece's failure to meet criteria needed for its participation in the inauguration of the euro has inspired a nationwide mood of introspection.

Throughout the country, from newspapers headlines to shop gossip, from parliamentary ministers to the man on the street, weighty melancholy com-petes with missionary zeal as the euro's launch on Jan. 1 tests Greece's ability to keep up with the rest of the EU and share its identity.

"Why should anyone rejoice at Greece's elimination from Europe?" demanded Estia, a large-circulation newspaper, the day of the currency's introduction in 11 countries.

The owner of a small bakery in the northern port city of Salonika shuffled outside the morning of the euro's introduction in Europe, crossed out the drachma price of a piece of bread little more than a few pennies - and listed instead his self-calculated equivalent in euros: ".00005." The store has become celebrated as the first in Greece to "list" prices in euros, hoping to catch a little carious business.

"We Greeks will try to act aloof for some time to come about this," said Pericles Manotis, owner of several small hardware and appliance shops in Athens's fashionable Kolonaki district. He pointed out that no stores were list-ing prices in euros. "We've always had a complex about our modern place in Europe, so the problem is a psychological one that is very strong.

But 1999 for Greece will mean little time for psychological ruminations, requiring instead swift, not to mention severe, economic action to qualify for the carro's second round in 2001.

Moody's, the investment rating concern, recently warned that Greece could fail to qualify for the second round because of delays in selling state industries, reforming labor laws and rolling back what are considered excessive government economic controls.

Still, Greece has managed to pave a smoother road to "Euroland" in the last year, removing a few key obstacles. The country enjoyed spectacular economic performance in 1998, including a 60 percent rise in the Athens stock exchange, steady interest rates and a drop in inflation from 6 percent in 1997 to 4.5

Perhaps most impressively, the government deficit is projected at 1.9 per-

cent for 1999 — well below the EU standard of 3 percent. A strong banking sector and dynamic telecommunications industry drove the economy, taking advantage of newly liberalized privatization laws.

This headway has earned the country praise from such high-profile influences as Morgan Stanley, which called Greece one of the best-performing emerging markets of 1998.

And for the embattled government of Prime Minister Costas Simitis, the improvements are being displayed to a Greek public restless with tough, but seemingly inconsequential, austerity

Participation in the euro zone will be the culmination of a long and painful effort by the Greek people for the creation of prosperity and social justice," said Finance Minister Yiannos Papan-

"A bartle has been won, but the war is still continuing." Still, not everyone is convinced that Greece has solved its fundamental problems enough to afford such bravado. What many here fear about the euro is not so much the potential economic impact as a renewed perception in the outside world that, left on the margins, Greece is simply not a safe investment bet.

"The Greek economy still needs to take off," said Aris Spiliotopolous, spokesman for the main government opposition party, New Democracy. "What we need to be thinking about is the reason why we are the only country that contrary to our desire failed to be part of European unification on Jan. 1.

For now, only Greek banks, not businesses, will list euro exchanges - pinned at 353.1 drachmas, with a 15 percent fluctuation allowance. No commercial transactions will be accepted in euros.

Germany Hopes to Curb

Unanimous EU Voting

STRASBOURG, France — Foreign Minister Joschka Fischer of Germany, risking an uproar in Britain, said Tuesday that Germany favored killing off the requirement for unanimous voting in most areas of European Union decision-

Outlining to the European Parliament his country's plans for its six-month EU presidency, Mr. Fischer predicted that the EU would decide at a June summit meeting in Cologne to carry out its internal overhaul in 2001.

He said that Bonn would push to keep unanimous voting only for changes to EU treaties.

'The key question here is the Uni-



Foreign Minister Joschka Fischer floated his idea Tuesday at the European Parliament in Strasbourg.

Guerrillas Vow To Release 8 Yugoslav Troops

PRISTINA, Yugoslavia — International mediators have won a promise from guerrillas of the ethnic Albanian Kosovo Liberation Army to free eight captured Yugoslav soldiers, the Organization for Security and Cooperation in Europe announced Tuesday.

The organization chairman, Knut volleback, said at a press conference in Pristina, the regional capital: "We have now reached agreement with the KLA on an early release of the detainees." He said he could not immediately

disclose further details, however. International monitors, concerned that the detention of the Yugoslav soldiers could lead to the renewal of all-out war in the region, have been working round the clock for their release. About 2,000 people have been died in the Kosovo conflict in the last year.

Asked whether the talks were over, Mr. Volleback replied, "Yes." He did not spell out the conditions under which the captives would be released.

.. The Kosovo Liberation Army had wanted to swap the soldiers for some of its guerrillas being held by Belgrade. The Yugoslav Army had demanded

that the soldiers be released unconditionally and had said that it was prepared to use force if mediation failed. Mr. Volleback, the Norwegian foreign minister, arrived in Pristina on Tuesday with a promise from the Yugoslav president, Slobodan Milosevic, that he would extend the deadline for the release of the soldiers before

using force. Yugoslav Army units have been moved into the region around Stari Trg. 12 kilometers (8 miles) north of Kosovska Mitrovica, where the soldiers were taken hostage by the Kosovo Libcration Army.

The Organization for Security and Cooperation chairman, who met with Mr. Milosevic on Monday, said: "What I have said all the time is that there should be an unconditional release." He aided: "I said that we need some more time. He said that he would give me that but that the time was short. There is continuous contact, we are hopeful that there will be a positive outcome."

The rebels' representative in Switzerland, Bardhy Mahmuti, said Monday that the rebels would release some of the soldiers as a gesture, but that he expected the Serbian authorities to release some ethnic Albanian prisoners in return.

Mr. Volleback was also expected to hold talks with ethnic Albanian leaders and Serbs to try to safeguard the fragile liceland's, however, is more like a chorand (Reuters, AP) us, with most people singing from the

cease-fire.

on's readiness to accept majority decisions in as many areas as possible," he said, adding that the new German government "advocates limiting the need for unanimity in the EU in the longer

term to questions of fundamental im-portance, such as treaty amendments." Such a move would mean that decisions in such sensitive areas as taxation would be taken by weighted majority voting instead of unanimously.

A suggestion late last year by the German finance minister, Oskar Lafontaine, that the EU should move toward harmonizing minimum tax levels caused an uproar in the British media.

Asked at a news conference whether he was trying to make life difficult for Prime Minister Tony Blair, who has tried to adopt a more EU-friendly approach than the previous Conservative administration, Mr. Fischer said, "It's not my intention to make difficulties for anyone in the EU."

But he told German television reporters afterward, "The problem is a British one and not a European one."

Mr. Fischer also told the European Parliament that Britain's EU budget rebate, about \$3 billion a year, would have to be looked at when seeking ways to prevent the EU's poorer members from osing out in a wide-ranging review of

Britain insists that the annual rebate, which was won in the mid-1980s by Prime Minister Margaret Thatcher, should stay.

Mr. Fischer added that Germany intended to complete negotiations during its EU presidency on the financing review by the end of March.

The EU financing reforms, and longer term institutional overhaul, are needed to prepare the bloc for membership by up to a dozen formerly Com-

■ Delors Warns Against Censure

A former president of the European Commission, Jacques Delors of France, on Tuesday described allegations of fraud and nepotism within the commission as a "dangerously overblown" affair, Agence France-Presse reported from Paris.

The European Parliament is to hold a censure vote Thursday on the issue. If adopted, it would force all 20 commission members to resign.

Speaking on Europe-1 radio, Mr. De-lors said, "This affair seems to me to be dangerously overblown and worsened by the settling of accounts either in certain countries or in the European Parliament "

Mr. Delors, who headed the European Commission from 1985 to 1995, called for a settlement between the European Parliament and the commission to avoid resignations and scandal at a time when the EU faces important business.

Continued from Page 1

The plan was proposed by an Icelandic scientist as a way to develop a new

natural resource for a country where

The Parliament, the Althing, ap-

proved the plan last month, passing a

law authorizing the database and cre-

ating the framework that will enable an

Icelandic company, deCODE Genetics,

to hold an unusual 12-year monopoly on

Iceland's population presents a tan-talizing opportunity for those who study

genetics because Icelanders' blond hair

and blue eyes reflect one of the most

remarkably homogeneous populations in the world. The original blend of 9th

century Norse stock and Celtic seamen

has been largely unchanged, and that

gene pool was further restricted by

bouts of plague, famine and volcanic

This comparatively simple set of

genes makes genetic prospecting far

less daunting than trying to track down

faulty genes among the millions of

chemical components arrayed along the

human chromosomes in heterogeneous

populations like that of the United

single flat note sung by one person,

while wandering through a public park

in which everyone is singing his own favorite tune: The distractions of the

merengue, the klezmer, the classical and

the sea chanteys make it even harder to

A homogeneous population such as

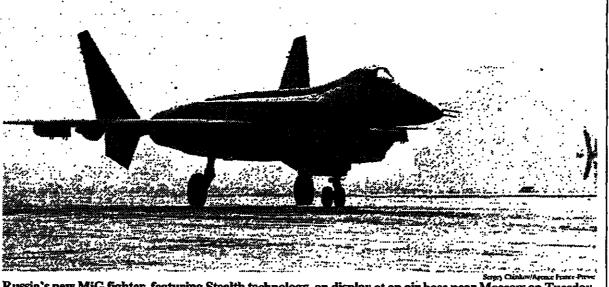
find the errant note.

It is a little like trying to detect a

data marketing rights.

unemployment is a chronic problem.

ICELAND: A Gene Pool of Controversy



Russia's new MiG fighter, featuring Stealth technology, on display at an air base near Moscow on Tuesday.

Russia Rolls Out Long-Awaited New MiG Fighter

ZHUKOVSKY, Russia --- A new MiG fighter jet, conceived as a Russian response to the latest U.S. combat aircraft, was unveiled with much pomp Tuesday but has yet to carry out its maiden flight.

The MFI — the Russian acronym for the multifunctional fighter — has been kept under wraps since development began in the late 1980s. The government has abruptly canceled several scheduled public displays of the new jet. Known as "Project 1.42" in the West, the MFI finally rolled onto the snow-covered airstrip at the Russian air force test center in Zhukovsky near Moscow in a ceremony attended by Defense Minister Igor Sergeyev and dozens of foreign military attachés and reporters.

The MAPO-MiG company that produces MiG aircraft says the new fighter will be able to outperform the most

advanced U.S. fighter, the F-22 Raptor. Like the U.S. fighter, the MFI has a "thrust vectoring" system that allows the plane to make sharper turns than current fighters. It also has plane as the paper of the process materials and a special shape to avoid detection by radar.

The MFI's development amounted to a "revolution in the Russian Air Force," Mr. Sergeyev said at a news conference. The aircraft is expected to take to the air for the first time in February, its chief designer, Mikhail Korzhuyev, said.

The public display appeared to be part of MAPO-MiG's effort to win government funds needed to finance the tests

and the model's further development. The cash-starved Russian military lacks the means to maintain its current fleet of aircraft or properly train pilots, and the situation appears likely to further deteriorate because of the country's economic crisis.

BRIEFLY

Russia and France Address Key Issues

MOSCOW - Prime Minister Yevgeni Primakov discussed the Russian economic crisis Tuesday with the French foreign minister and also addressed ways Moscow and Paris could cooperate on such key international issues as Iraq.

Russia and France have been critical of the recent U.S. and British confrontations with Iraq, urging a peaceful resolution. "Our countries have very close positions on international issues, Mr. Pri-makov said before the talks with Foreign Minister Hubert Vedrine.

On Russia's economic woes, Mr. Primakov told Mr. Vedrine that swift legislative approval of a new government budget and the resumption of loans by the International Monetary Fund were vital steps, Russian officials said. (AP)

U.S. Fugitive's Fate Is Put Off 5 Weeks

BORDEAUX --- A French court on Tuesday postponed its final rul-ing on a U.S. request for the extradition of an American fugitive to stand trial for the 1977 murder of

his girlfriend. A Pennsylvania court has sen-tenced Ira Einhorn, 57, in absentia to life in prison for the murder of Helen (Holly) Maddux. He denies the charge. A prominent anti-war campaigner and New Age activist in the 1960s, Mr. Einhorn fled the United States shortly before his trial. After 16 years on the run, he was arrested at his French home in June 1997.

Judge Claude Arrighy gave no reason for the postponement and said a new hearing would be held

Ambassadors Plan Return to Minsk

MINSK, Belarus - Ambassadors of five European Union nations plan to return to Belarus on Sunday, seven months after leaving in a dispute over plumbing repairs in their residences, officials said Tuesday.

The ambassadors of France, Germany, Britain, Greece and Italy will fly from Frankfurt, said Vasili Vishnyakov, a spokesman for the German Embassy. Neither he nor other nations' diplomats would say where the ambassadors will stay.

ALLIES: Germany Reaffirms Close Ties to France With an Exception – Policy on U.S.

Continued from Page 1

organizing its finances. After a weekend in which Mr. Schroeder met privately in Germany with Prime Minister Lionel Jospin, the French foreign minister, Hubert Vedrine, said that if he could expect a crisis in the EU about the reapportionment of its costs and allotments, there would be none between

France and Germany. Indeed, the "mystical" character left the relationship years ago, he said, but the notion of "the motor of Europe" -Germany and France as a combined force activating the EU - still had

Talking privately about the evolution of ties between the two countries, another leading French politician, with strong European ties, said of Mr. Schroeder: "He now knows that there are no European problems he can resolve without French-German cooperation. This is not a spontaneous matter with him and it engages him less as a result. But it is strong realization for

What this was likely to mean in the short term was some kind of mutual

same page — so it is much easier to

Because Iceland has a strong health-

discern when one of the singers is off.

care system with extensive record-keeping, as well as genealogical records that go back hundreds of years, it offers

tremendous potential for ferreting out

the relationship between the genetic and

environmental origins of disease, said

Kari Stefansson, deCODE's chief ex-

ecutive. Researchers will be able to sift

through the data to uncover medical

insights "in a systematic manner," Mr.

Stefansson said, adding that "it's going

say it strikes a careful balance between

the rights of the citizenry and the needs

Parliament who voted for it, said the

unified health database would "im-

prove delivery of health services." He

nation's leading scientists and scholars.

They argue their case in Icelandic and

English on their Web site, and have

formed an advocacy group, Mannvernd,

"to promote ethical standards in med-

ical research, science and in the bi-

oppose the new law, which the group's

Web site says "infringes upon accepted

medical, scientific and commercial

Those in Iceland supporting the plan

Solveig Petursdottir, a member of

to be a great discovery tool.'

of science.

risks involved."

understanding that Mr. Schroeder had to power of the European Central Bank. year. He described as "the major fact in make good in some visible measure on his commitment to German public opinion to reduce the country's payments to

the European Union. Conversely, it was accepted that France could not allow a reworking of community finances to disembowel the system of agricultural subsidies that has been a constant in its relations with Europe for decades. With this basis, a way was possible, through an extended period of tensions, to the EU's promised eastward enlargement.

More cooperation between the two governments was seen likely on two hemes of the left: the harmonization of taxes among the euro zone countries and efforts to coordinate salary policies so to protect industries with higher wage costs in France and Germany from socalled unfair competition from lower wage regions of "Euroland." Mr. Schroeder was described as apparently less enthusiastic than his finance minister, Oskar Lafontaine, and their French counterparts, on creating an 'economic government' among the euro countries to serve as a polit-

ical balance to the decision-making

But where Germany and France were clearly diverging was in relation to their overall view of the world and the United States' role.

In a statement of German foreign policy goals last week, Mr. Fischer listed reducing imbalances in EU financing as Germany's priority. When asked about American policy on Iraq and ongoing military measures there, he steered clear of any criticism of Washington. A German foreign policy expert said the government saw no justification or yield in a "knee jerk" reaction to the

military response. This contrasted sharply with an analysis Mr. Jospin offered last week in a newspaper interview in Paris.

He said: "We're confronted with a new problem on the international scene. The United States often behaves in a unilateral way and has difficulties in taking on the role to which it aspires, that of organizer of the international community." Through the euro, he said, Europe was affirming "its desire to escape from the domination of the dollar.

Mr. Vedrine went further late last

the world today the predominant weight of the United States in all areas and the absence for the moment of a counter-weight." What he identified as American unilateralism had become unacceptable. By way of response, Mr. Vedrine called for methodically broadening the basis of agreement between Europeans," "cooperating at each stage with the United States on bases fixed between Europeans" and preparing politically, institutionally and mentally for the moment when Europe will have the courage to go This approach is absent from the

vocabulary of Mr. Schroeder and Mr. Fischer and seems far from their political calculations.

The German government has stressed the importance to it of a firm legal basis for the use of military force, but it has accepted the idea of an ad hoc approach to situations that cannot practically receive approval from the United Nations Security Council. With Europe's and NATO's enlargement involving its direct eastern neighbors, it tends to see the United States' most immediate effect on its affairs as stabilizing rather than con-

Mr. Fischer, with considerable candor, foresaw the German role before the election when he called Mr. Schroeder to order. He said then: "Our number one aim is the process of European unification. Europe can't solve its security problems, so we need the United States in Europe as a guarantee against Russia and for internal European security problems. France doesn't share our view, but we've known that since the 1960s. So we have to balance it out."

If there is an issue where the German government has caused discomfort for both the Americans and the French, it is Mr. Fischer's insistence on a NATO review of doctrine that allows its nuclear powers to consider first use of their atomic weapons. What is not clear is how much emphasis Mr. Fischer wants to give to the initiative, which was an emotional issue for the Greens when the party developed during the missile debates of the early 1980s.

Whatever the outcome, the irritation has had little impact on the government's attitude toward the North Atlantic Treaty Organization, which is preparing a new mission statement for its 50th anniversary meeting in April. The tone the government was seeking. markedly different from that of France. seemed embodied in a statement on the event from Defense Minister Rudolf

Scharping:
"What's involved is a new, forwardlooking distribution of tasks between Americans and Europeans that secures American engagement in and for Europe in the 21st century. The Europeans' readiness to take on more responsibility and America's justified expectation to be able to turn over part of the burden of joint security are two sides of the same coin.'



added, "On balance, I think the potential advantages will outweigh the Karl Stefansson, the chief of deCODE, says studying the genetic data will Opponents of the law cite numerous "be a great discovery tool" and will provide insights to many diseases. problems. Many of them are among the

the DNA of Icelandic volunteers. But have not been told how the DNA will be the new plan, they say, takes away too much privacy — for private gain — and gives too little back to the nation and to

"When you put genealogical informotechnology industry in Iceland" and to ation into the data bank and also genetic data, then the data bank knows more about you than you know about yoursaid Tomas Zoega, chairman of the Icelandic Medical Association's They say that they understand the importance of deCODE's work and supethics council. "Some look at it as a fantastic idea. But I think the idea is a port earlier efforts by the company to scary one," understand genetic diseases by studying

Opponents complain that they still

collected, or how much information will be stored in the database. Those details will be decided by a government-created committee. The company has promised to collect

the data "anonymously" but uses that word with great nuance, opponents say. Among most database experts, "anonymous" almost always means that identifying information will be stripped away. But in this case, the information directly identifying individuals will be encrypted so that it cannot easily be read by unauthorized people.

ent little

EDITORIALS/OPINION

maı

MOI

Ten

Αt

The President's Answer

President Bili Clinton's written response to the articles of impeachment contains a reasonable critique of the charges that were passed by the House of Representatives. As a defense of the president's conduct, however, it is the same old legalistic hair-splitting that misses the point.

Each article, the president's lawyers argue, is too vague to support con-viction, fails to reach the constitutional standard for removal from office and is, in any event, false. "President Clinton denies that he made perjurious, false and misleading statements before the federal grand jury," his lawyers contend, and he also "denies that he obstructed justice in either the Jones case or the

Lewinsky grand jury investigation." On the obstruction question, the president's factual defense is greatly aided by the failure of the House to conduct its own investigation and shore up the findings made by Kenneth Starr. The evidence against the president on the obstruction count was always ambiguous, though highly suggestive, and it remains internally inconsistent. The president is also on safe ground in complaining about the vagueness of the perjury article, which does not even identify the statements for which he is being held to account. And the overarching problem with

allegations against Mr. Clinton are true, the conduct charged somehow still seems to fall short of what should be required to remove a president. The president, in other words, is not without arguments.

What makes this latest defense as unsatisfactory as all the others, however, is the continuing and demeaning failure on the part of the White House simply to admit (since it cannot deny more credibly) the charges that the president lied under oath. The White House brief intimates lamely that the perjury article misreports the president's grand jury testimony - accusing the House of perpetuating "myths" in making the accusation. It also repeats the absurd claim that the president was truthful when he denied having "sexual relations with Ms. Lewinsky as he understood that term to be defined by the Jones lawyers during their questioning

of him in that deposition. It is difficult to find a single honest sentence in the factual defense on the perjury charge. The president's lawyers may be convinced that his legal defense requires this sort of tortured argumentation. But it is long past the point of farce.

—THE WASHINGTON POST

North Korean Deal Unravels

A new and potentially volatile crisis is brewing between the United States and North Korea. Pyongyang's reckless behavior threatens to unravel a 1994 nuclear agreement with Washington. That would effectively end diplomatic dialogue between the two countries and could lead to heightened military tensions on the Korean Peninsula.

Late last year the Clinton administration appointed William Perry, the former defense secretary, to review American policy toward the North. He is now trying to learn more about what Pyongyang is up to and to see if the growing tensions can be diminished. But he cannot succeed if North

Korea continues new construction that would break its pledge to freeze nuclear weapons development or if it alarms its neighbors with further missile tests. At best, North Korea's actions are an attempt to extort new money and concessions from the West. At worst they signal an intention to break the nuclear agreement or even to threaten South Korea and Japan.

The 1994 agreement committed North Korea to freeze nuclear programs that were producing bombgrade materials. In return, a group of Western countries led by the United States agreed to build new civilian ply it with imported fuel oil. Until now, both sides have formally complied with the agreement.

But last year, American intelligence agencies spotted the apparent beginnings of a new underground North Korean nuclear complex.

Pyongyang refuses to let Americans inspect this site unless Washington makes large additional payments. Then in August. North Korea launched a three-stage rocket over Japan. There are signs that it may be readying another test. The missiles do not violate the nuclear agreement, but they may drive Japan to stop financing the nuc-

Even if North Korea is only advertising its rocket and missile prowess to get the West to pay for freezing these programs as well, it is a troubling development. Paying for a missile freeze might lead to further demands as North Korea looks for ways to keep its bankrupt dictatorship affoat.

America should help North Korea deal with its devastating famine and should offer support if the North begins to move away from its disastrous command economy. But Mr. Perry must make clear to Pyongyang that there are limits to American generosity and that Washington expects the 1994 nuclear agreement to be honored in full.

- THE NEW YORK TIMES Battles in the Drug War

Satellite photographs inform the U.S. government that the cultivation of coca, the raw material of cocaine, is sharply down in Peru and Bolivia and up in Colombia. It follows that:

When producing-country governments cooperate, it counts. A natural fungus helped in Peru, but there and in Bolivia official policy supported spraying, crop substitution and aerial interdiction, and the methods are working. Americans and Latin Americans alike need to know this in order to fit politically and to keep the heat on producers and shippers.

When producer-friendly governments cheat, things fall apart. Colombia is in transition from the former leadership's softness on the cartels to newly elected President Andres Pastrana's touchness and imagination. The cutting edge of his policy is his controversial reach to the country's long-lived, deep-rooted insurgency, which feeds off the drug trade. In his effort to wind down a 40-year civil war, he is looking to draw in the guerrillas and, in the specific instance of drugs, to turn them from adversary to

That's no easy trick: The main guerrilla group is not only suspicious but, as a result of its isolation, simplistically - even laughably -- Marxist, But Americans have their own adjustments

Until now, with the guerrillas frozen in hostility, taking up a counterinsurgency mission had a certain anti-drug appeal but put the United States in league with a Colombian military with

a bad human-rights record. Now, with President Pastrana going personally into the guerrillas' zone to invite them to a negotiation. Washington has to find a policy to match the emerging Colombian flow. The U.S. administration stirred Republican fire when it sent diplomats recently to meet with rebel officials to ask, it said, about three kidnapped Americans. That's reason enough for contact, but the whole American approach needs to be

reviewed. - THE WASHINGTON POST

Other Comment

Annan's Morally Vapid View

Kofi Annan is irked that the United States may have used the United Nations weapons inspections team as a cover for intelligence gathering on Saddam Hussein's personal security apparatus - which is the same organization that hides his illegal weapons. Annan is incensed because, an adviser said, "the UN cannot be a party to an operation to overthrow one of its member states." In Annan's morally vapid view, ridding the world of weapons that Saddam Hussein is bound by Security Council resolutions to destroy must take a backseat to protecting the government of a "member state." even if it's Saddam's il-

legitimate tyranny.

— The New Republic (Washington)

Herald Eribune

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Charmen of the Board

PETER C. GOLDMARK Jr., Chairman and Cinci Executive Officer RICHARD WOOLDRIDGE, President and Char Operating Officer MICHAEL GETLER, Exergise Editor

• WALTER WELLS, Managing Faluer • PAUL HORVITZ, Deputy Managing Editor KATHERINE KNORR and CHARLES MITCHELMORE, Digram Editions ROBERT J. DONAHUE, Lehter of the Editorial Pages JONATHAN GAGE, Business and Unione Editor

 SAMUEL ABT and NICK STOUT, Associate Editors • RENÉ BONDY, Senior Vice President and Chief Financial Officer · DIDIER BRUN, Circulation and Development Director STEPHEN DUNBAR JOHNSON, Advertising Director • IAN WALTHEW, Marketing Director Directour de la Publication, Peter & Goldmark Jr.

International Herala Trimute, 181 Avenue Charles-de Gaulle, 92521 Neurlly sur-Seine France. Tel: (1/4) 43,9000 Fac: Subscriptors, (1/4) 43,9200. Advertising (1/4) 43,9212, News, (1) 41,43,933s, Internet address, http://www.aha.com//E-Mail: httig-thecom/

Education Asia, Michael Robardson, Scannethur, R.I., Sungay of H9400, Rel ph/9/172 Tex Fig. 165 (272-2724)
May Fig. Ami. New J. Olikuw 2020, 194 Juna Rosai, Hong Kone, Rel 852-2022-1700, Fig. 852-2022-1700
Pen May Geometri, T. Schliker, Frindrich Int. 15 to 523 Frindrich M. R.I. 440 (1002) Fig. 1600, Fig. 1622-1703, 2021
Per May Geometri, T. Schliker, Frindrich Int. 1612, Frindrich M. R.I. 440 (1002) Fig. 1703-1703, 2021
Per May Geometri, T. Schliker, Frindrich M. R.I. 1612, Fig. 1703, 1704, 1705, 1 A.S. micrapital de l'200 tant F. RCS Namerre B. 732021125. Commissioni Partime No. 01337 effect International Herita Terrare, Administrative eved ISSN 0251-052



Netanyahu Is Playing a Dangerous Game

WASHINGTON — Some states-men are remembered for having crossed the Rubicon.

anyahu, will be remembered for swimming laps in the Rubicon. Mr. Netanyahu is the Mark Spitz of Israeli politics -- no Israeli leader has ever crisscrossed the Rubicon faster or more often.

Just when you think he has made a strategic decision to cross the river and pursue partnership with the Palestinians. and you want to extend a hand to him on the other shore, Mr. Netanyahu swims back the other way. His supporters say this is a strategy. I think not. I think it reflects a total absence of a strategy, and it is resulting in Israel making the most dangerous peace of all. How so? Well, it would be one thing

if Mr. Netanyahu were true to his heart, his writings and his core supporters and said: "I don't believe any partnership is ever possible with the Arabs or Palestinians. Therefore, I will not give up one inch."

And it would be another thing if Mr. Netanyahu adopted the Yitzhak Rabin view that the way to make peace is to gradually trade land with the Palestini-

▼ INGAPORE — Tension

By Thomas L. Friedman

Israel's prime minister, Benjamin Net- an Authority in return for a real, longterm economic, political and security partnership.

But Mr. Netanyahu has opted for a "third way." He delays as long as he can, then under maximum international pressure strikes agreements with the Palestinians over Hebron and the West Bank, then withdraws from territory, and then when this produces a hostile reaction from his far-right supporters, he lurches backward to placate them, undermining any long-term partner-ship with the Palestinians.

This is the most dangerous sort of peacemaking of all, because at the end of the day Mr. Netanyahu gives up 5 percent less land than Labor would have, and gets 100 percent less partnership. I can only assume that he has no strategy, because it is impossible to see how this approach could be a deliberate strategy. If Mr. Netanyahu continues on this track, he will give up 50 percent of the West Bank, as opposed to Labor giving up 60 percent,

is a strategy?

that a real partnership is possible and Israel's security depends on it, than this must be the focus of your diplomacy and politics — not trying to salve the hurt of Israel's far right.

Divining any strategy with Mr. Net-anyahu, though, is hard because he has never given a speech laying out the logic of what he is doing and where exactly he is heading. The only clearcut speeches Mr. Netanyahu has ever given are to denounce the agreements he has just made — Hebron and Wye - and to denounce his partner in those agreements, Yasser Arafat

Had he come home from the Wye negotiations and declared: "Friends, the game is up. This is the direction I am going, and I am going to make sure that I have a government that represents the 75 percent of Israel that wants to go there" — that would have been a strategy. But Mr. Netanyahu came home from Wye, got a bad reaction

with the Palestinians and a crisis of from the rightists, and instead of having confidence with the United States. This the courage of someone with convictions, started trying to placate them. If you don't believe there is any hope When that did not work, he made a of partnership with the other side, then desperate 12th-hour attempt at forming don't give up any land. But if you think a national unity government that no one took seriously. And when that led to new elections being called, he froze the Wye agreement — to reclaim his rightwing base - while claiming that the Palestinians were not keeping their side of the bargain (which the State Department says is simply untrue).
Instead of trying to build an ideological and political synthesis between the center-right and center-left, Mr. Netanyahu has spent the last two years trying to fool different parts of the Israeli electorate at different times.

"Bibi has crossed the line between being pragmatic and being unprin-cipled," observed the Middle East ex-pert Stephen Cohen. "He has refused to make either a choice between the two sides in the Israeli debate or to make a synthesis between them. The result is that he produces neither a genuine peace nor a sense that he has

any principles." The New York Times.

Is India Imitating China in Persecuting Christians?

By Sunanda K. Datta-Ray

and he will end up with no partnership

Detween Hindus and Muslims may be endemic to India, but is India under the governing Hindu revivalist Bharatiya Janata Party, the BJP, also joining Communist China and Islamic Pakistan in persecuting Christians? With more instances of anti-Christian violence in 1998 than in the previous 50 years, that is a disturbing prospect not just for 27 million Indian Christians of all denominations, but for the health of a nation of nearly a billion people. When Jawaharlal Nehru was

India's first prime minister there were no vicious attacks on Christians such as the rape of four nuns or lynching of priests, as reported recently from remote villages in two states, Gujarat and Madhya Pradesh. Nor were churches and chapels burned down. But suspicions of political mischief, extraterritorial loyalty and the hidden hand of the Central Intelligence Agency - now voiced by mil-

itant Hindu leaders who have dubbed Christians "the second East India Company" (the first, founded in 1600, conquered In-·dia) — were never far from the. surface. Western missionaries were evicted from India's northeast where Christianity was thought to go hand-in-hand with the secessionist demands of the Mongolian tribes. Despite her status of national heroine, even Mother Teresa was not allowed to visit Arunachal Pradesh state, the former North-East Frontier Agency, bordering Tibet and

Burma, in the 1970s when a

local Freedom of Religion Act

(newspeak for a ban on con-

version) led to a spate of chapel All those dormant fears were given free rein in March when the BJP formed an ill-assorted 18-party coalition in New Delhi, with a former Roman Catholic seminarian, George Fernandes,

as defense minister. Such para-doxes are common to India. They usually make for social harmony and peaceful coexistence. The BJP displays very little bigotry at all at the top.

Prime Minister Atal Bihari Vajpayee, who promised Christians protection from further attacks when he visited Gujarat's stricken villages on Sunday, is no fanatic. He is believed to have pushed the resolution that the party's executive committee adopted recently condemning "any attack on a place of worship, whether a church or a temple.

But there is less prudence lower down the line among the BJP's sociocultural support organizations, the Sangh Parivar (Sangh Family) as they are called collectively. The most prominent is the Rashtriya Swavamsevak Sangh, or National Volunteers Society. But there is more to it than

be Hindu is un-Indian.

Yet, Christianity in India is public. Church leaders are unapologetic to a point that many

just an Indian variant of mind-

Samiti (Committee for the Pro-

tection of Religion) has given

missionaries in Maharashun

state an ultimatum to leave. The

Vishwa Hindu Parishad (World

Hindu Council) accuses the

CIA of investing \$12 million to help the spread of Christianity in India as part of a

mayhem several years ago when they tore down a 15th

"We do convert people, but International Herald Tribune.

less inner-city rioting. The religion," said Taranath Sagar, a newly formed Dharmaraksha Methodist pastor. "We liberate people from age-old bondages and improve their total situation. which is what the Hindu fundamentalists do not like." Fundamentalists, especially in rural areas, enjoy the backing of influential conservative interests, irrespective of religion, in op-

posing that liberation. global evangelization plan."

But as Mr. Sagar would no doubt argue, defiance, persesame Hindu zealots who caused cution and martyrdom are what Christianity is all about. Berween them, they pose century mosque built on the threat to India's stability that reputed birthplace of Rama, the moderates like Mr. Vajpayee legendary Hindu god-king, are alone can halt by breaking out again on the march. They are of the Sangh Parivar's clutches convinced that their hour has and mobilizing middle-of-thecome because the BJP rules in road Indians who find him a New Delhi, and because not to likable and trustworthy leader.

The writer, a former editor of far older than the modern re- The Statesman in India. is an editorial consultant with The Straits Times in Singapore. He contributed this comment to the

In Matters of Crafty Compromise, the Senate Leads the Way

WASHINGTON — When it comes to creating a crafty compromise, the House of Representatives clearly cannot hold produced a unanimous floor vote on the procedures for the Senate's impeachment trial of President Bill Clinton was a nice piece of work — and a sharp contrast to the partisanship of the

House debate. Briefly, here's where things stand. The senators agreed to hear the House impeachment managers (Republican Judiciary Committee members) make their case this week for convicting the president of lying and obstruction of justice, and then to give equal time next week to the rebuttal arguments of Mr. Clinton's attorneys. After both sides

in an impeachment trial, the

House can turn its attention to

the single most important piece

of legislation for this session: a

big, juicy tax cut. After years of patchwork bills

providing favors for interest

cuts for Wall Street, etc. - re-

formers are finally getting

smart. Sentiment is beginning to

coalesce around a simple 10

percent across-the-board reduc-

are fairer, since they do not dis-

criminate by rewarding only

taxpayers favored by politicians

and lobbyists, and (2) they en-

courage people to work and in-

First, it would provide what

eral Reserve governor and my

colleague at the American En-

needed economic insurance."

Spending by U.S. consumers is

keeping the world economy

afloat, says Mr. Lindsay, and it is

running at a postwar high. A tax

cut would put more money back

Second, the federal govern-

both parties do with a surplus.

last year we got a good demon-stration of what politicians of after 2001.

Lower rates are better than

tion in tax rates.

for a tax cut:

in their hands.

religious right, capital gains after all.

By David S. Broder

have been questioned by ser a candle to the U.S. Senate. The ators trelaying their queries artful negotiation last week that through Chief Justice William Rehnquist in the chair), the Senate will entertain alternative motions to dismiss the charges or expand the trial by bringing in witnesses - either of which

may be done by majority vote. That agreement accomplishes several important goals. First, it protects the Senate's right to control the proceedings each step of the way, rather than forcing it to choose at the outset of the trial between the House managers' demand for witnesses and the White House's opposition to them.

Second, it permits the senators to hear extensive present-

Time for a Hefty U.S. Tax Cut

WASHINGTON — With the Senate bogged down By James K. Glassman presented a plan to "save" the system — nor did he show how

favored groups such as farmers.

parties of that surplus. Amer-

icans could decide what to do

with their own income --- save it

or spend it on education.

In his State of the Union ad-

dress a year ago, President Clin-

ton said he would reserve

"every penny of any surplus" for Social Security. Instead,

joining with Republicans, he boosted federal spending by an

budget rules by calling the new

Since the big surplus in 1998

ollar. surplus is now pegged at \$63 icans and inoculate themselves. There are two other reasons billion, but that figure will rise against Democratic charges that

when the perennially pessimistic

Since 1992, tax revenues

annually, an incredible pace in

an economy with less than 2

percent inflation. But for 1999,

the CBO projects revenues will

A surplus of even \$70 billion

percent across-the-board cut,

ning over \$100 billion annually

way hill or on subsidies to ruse, and it worked. He never The Washington Post.

But what about Social Secur-

was a surprise, the new spending

was just a preview, a warning of

outlays an "emergency."

groups - child credit for the clothes, a new house. It's theirs,

targeted relief because: (1) They extra \$20 billion, getting around

vest more, since taxpayers keep what we will see when politi-

more cents out of each extra cians really get going. The 1999

Lawrence Lindsay, former Fed-makes adjustments later this

terprise Institute, calls "dearly have been rising at 8 percent

uncertain they can keep up the rise only 4.4 percent; they are

pace - especially with taxes already running well ahead.

month.

A tax cut would deprive both

have read much of the record assembled by the independent counsel, Kenneth Starr, and have followed the House impeachment proceedings will gain from this focused debate.

Third, by providing in their agreement that any witnesses who may appear will be deposed in private before they are invited to testify in public, the Senate has provided a sensible precaution against tawdry irrelevancies — something the House failed signally to do when it voted to release the entire Starr report without know-

ing how graphic its sexual de-In creating these safeguards,

surpluses have anything to do

with Social Security.
They don't. In 2013, the re-

but, as Milton Friedman has

written, "by taxing, borrowing,

er government spending. There

Through last year's brilliant deception, Mr. Clinton got extra spending and scared Republic-

Now, it seems, Republicans,

But before Republicans pro-

especially in the Senate, where

last year's half-hearted bill died,

pose tax relief, they have to as-

suage the fears of older Amer-

the cuts will wreck Social Se-

Bartlett has a solution: Pass a bill

rent recipients and other seniors.

publican Senate seats are up, 13

of them in states carried by Mr.

Clinton in 1996. If Republicans

think they can retain control of

Congress on the strength of im-

peachment or on the coattails of

George W. Bush, they are taking

back to what got them there in the

In the 2000 election, 19 Re-

are no other ways."

realize their folly.

Congressional Budget Office curity. The economist Bruce

would be enough to fund a 10 a ridiculous gamble. Better to go

icans deserve.

ans away from a tax cut.

creating money or reducing oth-

before they make any of the prudently can to protect the ser- allow any of the witnesses to be critical substantive or proced- iousness of the process and to cross examined. And testimony ural decisions. Even those who move it along as rapidly as by principals — including the something of this great consequence can be. What else would help? A

common-sense, informal agreement about the questions the Senate will face at the end of the opening arguments. First will come the motion to dismiss the charges. This will

test the success of the president's attorneys in convincing a majority of the Senate either that there is no convincing evidence of lying and obstruction of justice or that these charges do not rise to the constitutional standard of "high crimes and misdemeanors." Even if the 45 Democrats were unanimously of that view, at least six Republicans would have to concur. Such a decision would, I believe, be readily accepted by fair-minded people and would bring an end to the sad, year-

long spectacle.
On the other hand, if that mosystem - nor did he show how tion fails, the House managers. charged with the constitutional responsibility of prosecuting this case, are entitled to the benefit of tirement system will start to take the doubt on calling witnesses. It in less in payroll taxes than it is their case, and absent some spends on benefits. How will the shortfall be met? Not by the overriding counterargument, they should be allowed to make trust fund, which is full of IOUs

it as they judge best. Democrats, following the White House lead, have opposed calling wimesses, and Republicans are well aware of the political risks of prolonging the trial. But the grand jury pro-

ceedings and the Starr report, on

ations of both sides of the case the Senate has done all it which the House relied, did no president, should be wish to appear - is superior to anyone's

Would this stack the deck against Mr. Clinton? No. He is amply protected by the constitutional requirement of a twothirds majority for conviction and removal, which would require the concurrence of at least a dozen Democrats. And a motion to adjourn the trial and dis-

miss the charges can be passed by majority vote at any point. A second step that would add value to the procedures the Senate has outlined concerns the much-discussed censure alternative. A good many senators. mainly Republicans, have pointed out that, appealing and ex pedient a compromise as it may be, censure is not sanctioned by the constitution, is damaging to the vital constitutional principle of separation of powers and could

set a dangerous precedent. An open letter, setting forth these flaws and signed by a sig-nificant number of senators. would be a useful way of signaling to other senators right now that they must choose between conviction and acquittal. That would concentrate their attention where it belongs -- on the strength or weakness of the case against the president --- and remove the current temptation to regard this as a forerunner to censure rather than the grand inquest it properly should be.

The Washington Post

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: German Hopes PARIS — [The Herald says in an Editorial:] The German Gov-

emment still barbors illusions as to the Philippines. By precipitating a conflict between the natives and the American army of occupation it is hoped to arouse feeling against the anthat guarantees benefits for curnexation of the Archipelago. Germany reckons on getting a coaling station and ultimately a protectorate over the islands. Relations with Germany have been growing more strained than ever. Reprisals will first take the form of a tariff war.

1924: Music Travels

and additional cuts can follow first place: spending restraint and LONDON — Mr. Lewis T. Dixon, of Southfields, was surment is running a surplus. And with surplus estimates now run- a tax cut that overcharged Amerprised to receive a letter bearing a Kansas City postmark. He is an amateur wireless experi-The writer is a fellow at the They spend it — often on pork- tty? Mr. Clinton's 1998 State of American Enterprise Institute. barrel projects such as the high- the Union promise was just a He contributed this comment to

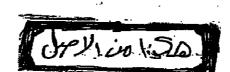
cert. Mr. Allen White, of Kansas City, Mo., also picked it up on a nine-valve set. He looked up the record of English amateur code signals, and, discovering the broadcaster, wrote him the appreciative letter.

1949: Literacy Quotas ATLANTA - Re-establish-

ment of the poli tax and stricter

literacy requirements for Geor-

gia volers were put before the state legislature by Herman Talmadge, one of the South's foremost supporters of "white supremacy. His measure would cross off the books 1,200,000 voters, including 150,000 Negroes. Talmadge's forces would repeal the provision that . prospective voters must merely be able to read and write sat isfactorily. They would require the voter to explain any section . mentalist and he carried out a of the State or Federal Conpromise made to friends that he stitution to the entire satisfacwould broadcast a private con- tion of the voting registrars.



OPINION/LETTERS

Since Sex Is So Important, Call Lewinsky to the Stand

By Richard Cohen

7 ASHINGTON -- I call Monica Lewinsky to the stand.

aion the White House itself, act as if seem a fool. Everyone seems a fool ons — like supreme embarrassment to the president.

But the whole world, including yak herders in Outer Mongolia, already have to account for his most intimate knows what Ms. Lewinsky has to say behavior, but we would get to apand would soon realize that this case is, as many Republicans keep insisting it staying just this side of a line he

make that clear. It would revolve around the questions of what is sex to take a day or two to debate exactly and who gets to define it and who touched whom where. And, while we're at it, was it the intention of the party of the first part to arouse the party of the second part so that (herewith and forthwith) both lost their senses and engaged in an orgy of giftgiving, T-shirts and the like?

These are all serious questions, grave and momentous, surely of the sort the Framers had in mind when they concocted the impeachment pro-

ristians?

ul-the Na

It is likely that in some Federalist Paper not yet discovered, James Madison mulled over these matters, the definition of sex much preoccupying him in those halcyon days after the revolution. His "Observations, Lamentations, Ruminations and Aggravations on Presidential Sexe" has long been a missing classic. Its discovery would help us enormously in these troubled times.

I understand, of course, why Pres-Well, why not? What's the big ident Bill Clinton and his lawyers would not like to see Ms. Lewinsky deal? Senate Democrats, not to menthis would be the worst thing ima- when it comes to sex — especially ginable and for understandable reas- when it involves an older man, a younger woman and a dear friend with a tape recorder.

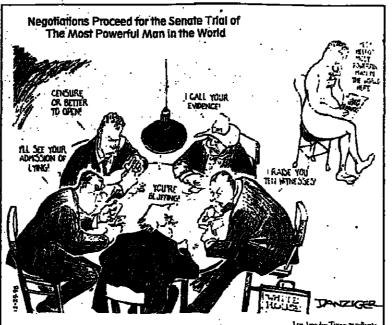
is not, about sex. It is about little else.

Ms. Lewinsky's testimony would of intercourse is not sex. It is himself had drawn: Everything short what that may be. Who knows Maybe a law will result.

By this point, the country would be reaffirmed in its conviction that Mr. Clinton did indeed attempt to hide the fact that he had a sexual relationship of some kind and that he had indeed engaged in evasive wordplay.

In fact, he lied, and he did so under oath. But these lies were meant to protect the false statements he made. in his deposition in the Paula Jones sexual harassment suit, a fraud of a case brought by a publicity hound, financed by Mr. Clinton's most rabid enemies and intended to mortify the president. What, dear reader, would you have done?

obstruction of justice. This pertains to Clinton tried to retrieve the gifts he the false statements that the president made to his aides in which, for reasons did. This, too, was wrong but not, just unfathomable to his enemies, he maybe, rising to the level of an im-denied having sex with Ms. Lew-peachable offense.



insky. What he should have done, apparently, was tell each and every aide the truth, have them sign a confidentiality agreement (copy for the file, please) and avoid all eye contact with Hillary Clinton, should they pass her in the hallway. To have done that would, truly, have amounted to an impeachable offense, assuming that incredible stupidity is sufficient reason for removal from office.

Here, too, Ms. Lewinsky would make a terrific witness. She would repeat what she told the grand jury: "I would just like to say that no one ever asked me to lie and I was never prom-ised a job for my silence." This, of Next, we come to the matter of course, does not tell us whether Mr. had given her, which we all know he

But the obstruction of justice charge is beside the point. This case is about the epic question of whether a married man who happened to be the single most famous person in the entire world attempted to cover up—
even lie about — an extramarital relationship he had with a young woman in his employ. Did he ever do you-know-what, and did she ever you-know, and did they have telephone sex on a nonsecure phone? (Was Saddam Hussein, in addition to Linda Tripp, listening?)
For these and other momentous

questions the Congress of the United States has ground to a halt, and the White House is similarly preoccupied. Only one person can clear up

I call Monica Lewinsky to the

The Washington Post.

LETTERS TO THE EDITOR

The Yen's New Strength

Regarding "Obuchi Calls for Cur-

rency Cooperation" (Jan. 8): Prime Minister Keizo Obuchi of Japan is quite correct that wild fluc- bonds and U.S. Treasuries provides tuations in major currencies are det- a good opportunity to repatriate sorely rimental to the Japanese economy and, by extension, the world. However, his proposal for a monitoring system consisting of flexible trading targets is reminiscent of other these flows dry up and exchange efforts in Japan to mask the symptoms rather than treat the underlying cause of the trouble in the dysfunctional Japanese economy.

While many analysts are puzzled by sues such as overcapacity, weak prof-the yen's recent strength, most agree itability and the massive overhang of that it is tied to investment flows rather than economic fundamentals. In this lending and property markets.

sense; temporary yen strength could be a paradoxical sign of economic weakness. For Japanese investors and companies, the narrowing spread between benchmark Japanese government needed capital while reducing overall

foreign-exchange risk. The yen's strength, however, could prove to be highly perishable once movements become more closely aligned with economic conditions. Mr. Obuchi would do well to pursue sound policies to address pressing isbad debt that has frozen liquidity in

While excessive volatility clearly can have harmful effects, long-term trends in foreign exchange movements tell a story about market confidence in a country's economy and supporting institutions.

Mandating exchange-rate stability-

would have the unfortunate effect of blunting the message and make the efficient allocation of capital in Japan even more of a daunting challenge. D. JEROME MURPHY.

Hong Kong's Economy

Regarding "Too Business Friendly in Hong Kong and Malaysia" (Opinion, Jan. 1) by Philip Bowring: After the economic failures of

1998, both Hong Kong and Malaysia have the opportunity to reaffirm their commitment to free trade and the open economy. Decisive action is required to demonstrate to local and overseas players that a level playing field really does exist.

Hong Kong can act swiftly to re-gain its status as the "capital of capitalism." A clear move against some of the distorting monopolies and ves-ted interests identified by Mr. Bowring would be a welcome initiative. By turning its rhetoric into action, Hong Kong might have the opportunity to enter the 21st century as the freest economy in the world and the prime center for business in Asia. DAVID BRAGA.

· Hong Kong.

Anxious About the Millennium? Approach It With a Little Proust

By Alain de Botton

impossible to escape our proximity to the end worrying about the end of the world. It seems a melancholy situation. But an unlikely source may provide relief.

In the 1920s someone looking for a paper to read in Paris might have picked up L'Intransigeant. It had a reputation for investigative news, metropolitan gossip, com-

MEANWHILE

prehensive classified advertisements and incisive editorials. It also had a habit of dreaming up big questions and asking French celebrities to send in their replies. "What do you think would be the ideal education to give your daughter?" was one question. "Do you have any recommendations for relieving traffic congestion in Paris?" was another.

In the summer of 1922, the paper formulated a particularly elaborate question for its contributors:

An American scientist announces that the world will end, or at least that such a huge part of the Continent will be destroyed, and in such a sudden way, that death will be the certain fate of hundreds of millions of people." the

"If this prediction were confirmed, what do you think would be its effects on people between the time when they acquired the aforementioned certainty and the moment of apocalypse? Finally, as far as you're concerned, what would you do in this last

The celebrities who responded included a palm reader, an actress, a cyclist, a politician and a reclusive, mustachioed novelist who had spent the last 14 years lying in a narrow bed under a pile of thinly woven woolen blankets while he wrote an unusually long novel without an adequate bedside lamp. Since the publication of the book's first volume in 1913, "A La Recherche du Temps Perdu" - carelessly translated into English as "Remembrance of Things Past" - had been hailed as a masterpiece.

A French reviewer had compared its author, Marcel Proust, to Shakespeare, an Italian critic had likened him to Stendhal, and an Austrian princess had offered her hand in marriage. Enthusiastic about contributing to newspapers, and in any case a good sport, Proust sent the following reply to "L'Intransigeant," a response that may help us to confront the millennium.

"I think that life would suddenly seem wonderful to us if we were threatened with death as you say. Just think of how many projects, travels, love affairs, studies, it - our life — hides from us, made invisible by our laziness which, certain of a future, delays

ONDON — Everything seems to be com- them incessantly. But let all this threaten to ing to an end. As 1999 began, it became become impossible for all time, how beautiful it would become again! Ah! if only the cataof the millennium, which has left the anxious clysm doesn't happen this time, we won't with the task of worrying about the end of miss visiting the new galleries of the Louvre, electronic civilization, and the apocalyptic throwing ourselves at the feet of Miss X. making a trip to India.

"The cataclysm doesn't happen, we don't do any of it, because we find ourselves back in the heart of normal life, where negligence deadens desire. And yet we shouldn't have needed the cataclysm to love life today. It would have been enough to think that we are humans, and that

death may come this evening."

Our sudden feeling of attachment to life when we realize the imminence of death suggests that it was perhaps not life itself that we had lost the taste for but, our quotidian version

In the Proustian schema, the threat of endings is the principal way in which we learn to appreciate what we

of it. Our dissatisfactions were more the result of a certain way of living, perhaps, than of anything irrevocably morose about human

Having surrendered the customary belief in our own immortality, we would then be re-minded of a host of untried possibilities lurking beneath the surface of an apparently undesirable, apparently eternal existence.

The advantage of endings is that they help to remind us of the value of things we might otherwise have lost sight of.

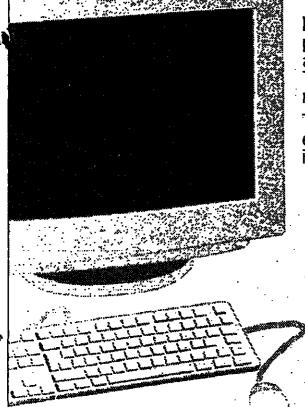
In the Proustian schema, the threat of endings is the principal way in which we learn to appreciate what we have. Absence reveals what is present (which is, incidentally, why for Proust the finest way to revive a flagging relationship is for one partner to make the other jealous, hinting at the potential end of the relationship).

In this year of conclusions, we may learn to accept endings as perverse, painful but not negligible ways of teaching us what is valu-

Mr. de Botton is the author of "How Proust Can Change Your Life" and the forthcoming "The Consolations of Philosophy." He con-tributed this comment to The New York

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

HOW IS THE INTERNET CHANGING THE WAY YOU DO HUSINFSS?



If you missed the series of 12 sponsored pages on "Business to e-Business" that appeared in the International Herald Tribune, here's your chance to order a reprint of the sections.

The series addressed the impact of electronic business on the following industry sectors:

> Banking Retail Market Intelligence Travel **Enterprise Communities Telecommunications** Insurance Manufacturing Education Security -

Government

Automotive

For a free reprint of any of the "Business to e-Business" pages, please fax or e-mail your mailing address and specify which of the above subjects you would like to receive. Fax: +33 1 41 43 92 13. E-mail: supplements@iht.com

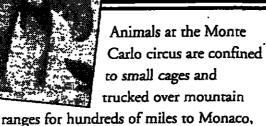


THE WORLD'S DAILY NEWSPAPER

Prince Rainier

Please end the unwilling participation of animals in the Monte Carlo

> International Circus Festival



where they are prodded into the ring and forced to perform confusing and often frightening acts. Bears have their

paws squashed into roller skates, tigers are forced to jump through fire, and elephants are made to balance on their heads.

Trainers admit that, without the use of whips. chains, muzzles, and bullhooks, it is impossible to train wild

> Please add your voice to those asking Prince Rainier to stop the

animals to perform.

cruelty suffered by animals in circuses. Gérard Depardieu Juliette Binoche

Wolfgang Petersen

Alec Baldwin

Kim Basinger

Ali MacGraw

Bea Arthur

Brigitte Bardot

Anouk Aimée

Arielle Dombasle

Maruschka Detmers

Alexandra Stewart Mylène Demongeot

Stephane Audran

Lambert Wilson

Evelyne Dress

People for the Ethical Treatment of Animals Web site: www.peta-online.org

501 Front St., Norfolk, VA 23510 USA 757-622-PETA

PO Box 3169, London SW15 3ZG, UK 0181 785 3113

Postfach 311503, 70475 Stuttgart, GERMANY 0711 8666165

Agence France-Presse

TEHRAN — Ten people have been arrested in connection with the recent murders of intellectuals and dissidents in Iran in which Iranian secret agents have been implicated, a senior investigative committee on the killings said Tues-

day.
"Ten people have been arrested and questioned over the affair," said the committee set up by President Mohammed Khatami in a statement read on state radio and television.

"The case, very complicated, has taken on a national dimension," the panel said, "and conducting a correct and healthy investigation is a heavy duty."

The Intelligence Ministry said last week that a number of "ill-minded and irresponsible colleagues" were involved in the November and December murders of the nationalist opposition leader Daryush Foruhar and several lib-

The committee — made up of Intelligence Minister Ghorban Ali Dori-Najafabadi, Interior Minister Abdul Va-hed Musavi-Lari and a representative of the supreme leader, Ayatollah Sayed Ali Khamenei — was established last month to investigate the killings.

A television report said the members over any future role for United Nations of the committee met Tuesday with Mr. Khatami and briefed him on the latest developments in the case.

The president demanded that the investigators "continue with strength, without any regard for marginal issues, until final results are produced."

"Our round-the-clock investigation has produced the necessary clues to identify the entire gang linked to the murders at different levels," the com-mittee said. "A number of effective elements in the gang's leadership were arrested and questioned.'

presently under surveillance," adding that it preferred to withhold detailed information while the investigation con-

tinued.
"The masterminds behind the murders have been identified, and a massive investigation has been launched to find outside elements who are mainly responsible for the suspicious murders."

"The investigation will continue without any attention to the foreign and domestic political hype around the af-

The revelation that intelligence agents bitter political fighting between re-formers backing Mr. Khatami and his conservative opponents over how to deal with the formidable secret services. Re- government's plan to Parliament. formers have demanded that Mr. Dori-Najafabadi; a conservative, be replaced as intelligence minister.



Students protesting Tuesday, saying opponents of President Mohammed Khatami are impeding the inquiry.

IRAQ: In Sharpest Attack Yet, Saddam Accuses Saudi Arabia

Continued from Page 1

Primarily, the actions appeared aimed at fueling an atmosphere of confront-ation, perhaps useful for Mr. Saddam in dealing with internal tensions in Iraq, several officials said.

At the same time, a U.S. official said by phone from Washington, the current skirmishing also "reflects a dual powerlessness in which Iraq has less and less

there is an Iraqi general out there who manages to overthrow Saddam."

He noted that both sides have been emphasizing threats that could set the stage for a new phase of conflict, putting the Iraqi regime under direct threat.

lrag has started hinting at a new readiness to spread violence and perhaps terrorism to hostile countries, a threat matched by U.S. efforts to ratchet up pressure on Baghdad by Arab governments around Iraq and Kurds inside the strength and we have to no way to country - apparently in support of the

New Turkish Leader Rules Out Use of Bases The committee said "a number of others have been fully identified and are For Prolonged U.S. Air Strikes Against Iraq

ANKARA- Expressing unease over U.S. air raids, Turkey's new prime minister made it clear Tuesday that he would not let a U.S.-led force use Turkish air

bases for prolonged bombing of Iraq.
Bulent Ecevit told NTV television that Washington had to come up with an Iraq policy that went beyond punitive air

"I am worried that air raids will increase after the end of Ramadan," Mr. fair," the committee added, "and the Ecevit said, referring to the Muslim holy culprits will be put on trial as soon as month, which will end with the sighting of the new moon.

While I hope Iraq will be more in were involved in the murders has led to accordance with the world, I also hope that the United States will produce peaceful solutions," said the new prime minister, who hours earlier presented his

U.S. and British forces have used In-Adana to patrol a no-flight zone over arms sales and military aid.

northern Iraq since the end of the Gulf

On Tuesday, a U.S. fighter jet fired a missile at an Iraqi radar site in the exclusion zone. It was the third time this week that planes from the base shot at Iraqi missiles after determining they were about to be attacked. "This is the excuse they are using."

Mr. Ecevit said. Mr. Ecevit has objected in the past to U.S. attacks on Iraq and has visited Baghdad to hold meetings with President Saddam Hussein.

'I don't think the United States has decided what kind of solution it wants to see in Iraq," he said.

Mr. Ecevit, a veteran leftist politician, served as prime minister in the 1970s. Relations with the United States in his previous terms were strained due to his decision to send troops to Cyprus in cirlik Air Base near the southern city of 1974, which led to a U.S. embargo on

change the regime in the short run unless declared U.S. aim of bringing a new

regime to power in Baghdad.
Tactically, Mr. Saddam's defiance seems aimed at raising tensions around the U.S. stance in hopes of polarizing attitudes in the UN Security Council and widening the U.S. and British divergence with Russia, France and other countries that recoil from an overt cam-

paign to change the Iraqi regime. France and Russia — like many Arab countries - would like to ease the embargo on Iraq or at least the civilian suffering associated with it. But none of these countries has come up with a new system of arms inspections offering credible restraints on Mr. Saddam's re-

So far, officials said, there has been no sign of any fundamental change in the diplomatic stalemate left by the U.S. and British air raids.

"The significant point is that no Arab government or leader -- none, not even Libya or Sudan — has offered any public comfort to Saddath or the regime, not even after all his complaints, after all the Western interference and all the bungling by Washington and embarrassing disclosures about Israeli involvement" in the efforts of U.S. arms inspectors, an Arab ambassador said.

Iraq's isolation has been worsened, and Paris and Moscow have been embarrassed, by the latest outbursts in Baghdad such as the charge Tuesday in Babel. the newspaper run by Mr. Saddam's son Udai, that Saudi Arabia and Kuwait have been "threatening Iraq's sovereignty and life for nearly nine years" - in other words, since the Gulf War.

The Iraqi attacks could alienate sympathy among many Gulf Arabs ahead of income was spent on normal purposes Iraq militarily"—the box that he wants Mrs. Albright's trip, on the heels of a and not siphoned off by the government to escape.

Don't Free Israeli Spy, Key Advisers Tell Clinton

have recommended that a series of Jonathan Jay Pollard, an American who spied for Israel, administration officials said Monday.

Secretary of State Madeleine Albright
Secretary of State Madeleine Albright
Officials in other agencies saw Mrs.

Officials in other agencies saw Mrs.
Albright's recommendation as significant as the Israeli request for Mr. Pollard come as part of dip-

George Tenet, sent a letter to the president Monday urging that Mr. Clinton keep Mr. Pollard in federal prison, where

he is serving a life sentence for espi-onage. The secretary of defense, William that he must release Mr. Pollard in order that he must release Mr. Pollard in order

The senior officials were responding to tration has reviewed the matter. Each

senior administration official asked to make a recommendation, had not yet responded, officials said. But the Federal Bureau of Investigation has urged her to ask the president not to free Mr. Pollard.

During the Middle Fast talks at Was

During the Middle East talks at Wye room, officials say,

By James Risen

WASHINGTON - President Bill

Clinton's key national security advisers

have recommended that he deny clem-ency to Jonathan Jay Pollard, an Amer-

The director of central intelligence,

Cohen, made the same recommendation

a White House request to provide recommendations on the case by Monday.
Attorney General Janet Reno, the other

more than a week ago, officials said.

Plantation, Maryland, in October, the president agreed to conduct an accel-

erated review of the case to placate Prime Minister Benjamin Netanyahu of Israel and win his support for the peace

agreement. On the last day of the talks, Mr. Netanyahu demanded Mr. Pollard's freedom in exchange for agreeing to the peace deal. But Mr. Clinton agreed only

lard's release had come as part of dip-

make it difficult for Mr. Clinton to argue

to save the Middle East peace process.

review was prompted by Israeli pressure on the White House, but each time Mr.

Clinton's advisers have unanimously

This is the third time the adminis-

Ailing with leukemia, Sahira, 5, lies in bed as her mother weeps at a hospital in Baghdad on Tuesday. Why there are no drugs is controversial.

meeting with Russian leaders on Jan. 28, with Egyptians and Saudis to rally support for the U.S. stance on the embargo.

Saudi Arabia, aware of mounting Arab and Muslim resentment about the embargo, has started looking for a way initiative when foreign ministe to continue ostracizing Mr. Saddam Arab League meet this month. Already, however, it has trig

Iraqi oil sales could be expanded, Saudi officials have suggested, if a sys- an initiative that could maintain support, tem were instituted to guarantee that the even among Arabs, for containment of

The plan, which sounds similar to French government thinking, has not been fully disclosed because Saudi Arabia wants it to be adopted as an Arab

initiative when foreign ministers of the

Already, however, it has triggered Iraqi diatribes, the Arab ambassador said, because "Saddam sees it for what it is:

CONGO: Invasion by 6 Neighbors' Troops Threatens Borders

Continued from Page 1

rules of Africa may be unfolding in the five-month-old Congo war, By explicit more subdued scramble for Congo, this It's yours. It can never be divided." agreement, African nations are not supposed to invade one another.

But critics of Uganda and Rwanda, pull the nation apart. Congo's neighbors to the east, say those two countries did exactly that by sending gani. troops in August to help the rebels seeking to overthrow President Laurent Kabila

The borders of African nations, set up arbitrarily by the Europeans who colonized the continent a century ago, are

supposed to be inviolable.
Yet Congo is now split in two, perhaps for good: Mr. Kabila and his allies - Zimbabwe, Angola, Namibia and Chad - control its western two-thirds. The rebels and their allies - Uganda and Rwanda -- control a growing third With so many combatants, a major

question is where the conflict is leading not only Congo but also Africa itself. Diplomats around the world worry that a full-blown regional war may not be far off, for already no African war has ever drawn in so many outside nations.

say that the Congo war may become a point of departure from which African nations begin to re-imagine themselves in ways not possible under the old rules of engagement.

Wars among nations, largely absent since Africans became independent starting in the 1960s, may become more common. And, many experts say, the national boundary lines that have defined African countries for a century, and lent some stability, may slowly be

It is a danger that worries many people in Congo - fighters, politicians and ordinary Congolese.

"If we make the mistake of partitioning the Congo, all of Africa will follow because all our borders are artificial creations," said Dr. Kabamba Mbwebwe, the chief of the emergency room at Kinshasa General Hospital, who is involved in opposition politics here. "It's a really dangerous precedent."

Outsiders are concerned too. A senior European diplomat here calls the Congo war "the first big test of borders."

"This is what we left behind - the British, the French, the Germans, the Belgians," said the diplomat, who spoke on the condition of anonymity. Nobody is happy with the borders they have, but nobody wants to open the Pandora's box.''

Congo is particularly divisible, experts say, because the foreign troops tread on land rich in gold, diamonds, copper, cobalt, oil and timber. Each out-

time involving not Europeans colonists but its own neighbors, is also helping to The irony is not lost here in Kisan-

*Because of our weakness, we have

their destiny has slipped from their fingers - 20 months after Marshal Mobutu the east theoretical even before the Sese Seko, the dictator since 1965, was

capital of Congo. A few weeks ago, the head of the badly divided rebels, Ernest Wamba dia Wamba, had to fly to Uganda to learn from officials there the But in the longer run, many experts details of a peace meeting in Paris.

It is a loss of control that angers

people in Congo. The country's major cities crawl with foreign troops, often staying free in the best hotels. People around the nation are adamant that Congo must remain intact.

Northern Ireland's best-known writers, rating.

died Tuesday in California after a short

novel "The Lonely Passion of Judith

Hearne," which was turned into a film,

and a string of other successful books.

emigrated to Canada in 1948 and became

a journalist in Montreal. Later he settled

in the Malibu area of Los Angeles. His works included "The Emperor of Ice Cream," "The Luck of Ginger Coffey," "The Doctor's Wife" and "Black

Mr. Moore won acclaim for his 1956

Born and educated in Belfast, he

John Cronin, a former professor of

English at Queen's University Belfast,

described Mr. Moore as "a wonderful

story teller." He said the British writer

Graham Greene had once referred to him

as his favorite living author.

respiratory illness.

Brian Moore, an Emigré Author

From Belfast, Dies in U.S. at 77

Reuters Mr. Moore revealed that he had "hated BELFAST—Brian Moore, 77, one of Belfast" and had no regrets about emig-

side nation has interests in Congo — "Being Congolese is like being in security, financial or both. So some your bath," said Louis Kembo, a busi-Africa watchers say that a second and nessman in Kisangani. "It's your place.

Congo is Africa's second largest country after Sudan, a third as big as the United States. By sheer size, location and potential for wealth, it is one of Africa's most important countries. But it barely ever existed as a state, either become a neocolony of other conn- under Belgium's loose colonialism or

tries." said Omari Leasisi, a former governor of the eastern province of Kivu whom Mr. Kabila just released from prison.

Hatta Belgian 3 Rosse colomatism of under Marshal Mobutu's years of corruption and neglect.

More than 200 ethnic groups live in Congo. Roads are impassable. Kinshasa, It is easy to see why Congolese think in the west, is a capital in name only, its eir destiny has slipped from their fin-monuments crumbling and its hold over

overthrown and the nation of Zaire became, once again, the Democratic Refor ways, from songs to clothing, to unify the country and its people.

public of the Congo.

News of major developments in the war come as often from Zimbabwe's capital, Harare, as from Kinshasa, the (1,000 miles) away, people have bank (1,000 miles) away, people have bank accounts and use telephones next door in each side unable to dislodge the other. are taking sides in this war have financial Rwanda. In the southeast, they gravitate philosophically to South Africa and mundanely, for services like mail, across annex territory outright. Rwanda, for the border to Zambia.

"The Congo should never have been one state," said Basil Davidson, an eminent Africa scholar. "It simply suited Belgian convenience."

Many experts argue that the war in the ability to plunder Congo's rich nat-Congo is essentially a stalemate, with ural resources. Many of the nations who

Gavin Relly, 72, Mining CEO

The Associated Press

JOHANNESBURG — Gavin Relly,

72, a former chairman of the South

African mining and investment con-

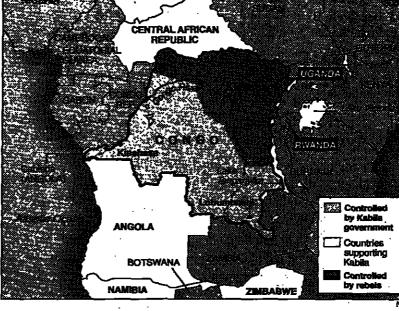
glomerate Anglo American Corp., died Sunday of complications from minor heart surgery in a hospital near Cape

Mr. Relly became chairman of Anglo in 1983 and served until 1990. He also

held positions on the boards of sister

companies, De Beers Consolidated Mines

of Anglo American Industrial Corp.



simply want to carve up the nation and example, could then have an enclave of land populated by Tutsi as a way to prevent a genocide like the one in

Others see an economic motivation --

Strasbourg Ordered To Return a Klimt

The Associated Press STRASBOURG - A civil court has ordered Strasbourg to return to its rightful owners a painting by Gustav Klimt that was looted during the German occupation in World

War II. The city of Strasbourg, which argued that it acquired the work in good faith, said it would appeal the decision, which was handed down Monday.

"Fulfillment" is on display at Strasbourg's Museum of Modern and Contemporary Art, and is widely regarded as one of the collection's most important pieces.

Museum officials argued that they acquired the painting knowing

Ltd. and Minorco SA, and was chairman nothing about its wartime past. The court said it was "virtually In 1985 Mr. Relly led a pioneering impossible" for museum officials group of South African businessmen not to have known about the Klimt's that met with the then-banned African past at the time. National Congress in Zambia to promote As an adult living in the United States, 'dialogue on the future of South Africa.

Some fear that Congo's neighbors stakes, according to Johan Peleman, director of the International Peace Information Service in Belgium, which studies financial incentives behind conflicts. Mr. Peleman said that Ugandans -

notably President Yoweri Museveni's brother - have gold mining and other business interests in the east. Angola has signed a joint venture with Congo's state oil company. The rebels claim that Zimbabwe's president, Robert Mugabe, has personal mining investments in the south and that the appointment of Mr. Rautenbach, the Zimbabwean transport ing company, Gecamines, is a payback for Zimbabwe. Mr. Rautenbach denies any political connections. any political connections.

Private mining companies, Mr. Pele-man speculated, could also sign contracts giving any of the players an in-

centive to keep the territory they hold —
or at least let the war drag on.
For all Mr. Mobutu's failings, Congolese and outside experts say, he gave
life to a national identity even as the state itself expired.

Since the rebellion that ended with Mr. Kabila seizing power in May 1997, many Congolese express that identity are no published precedents. Without much faith in Chi that is, any of the six outside nations.

This sense of both nationalism and hostility seems strong, on either side of Congo's cleft. In Kisangani, Ebony Badengo, 50, a bank manager, exploded when asked

from other countries who want to get it.
We would never accept that."

ruptcy was announced, said a bond syndicator at a U.S. bank in Hong Kong.

CHINA: Foreign Bankers Wary

Continued from Page 1

ing concern's third-lowest rating. It is given when a company is vulnerable to nonpayment of debts.

- - 1054

414

Among companies like GITIC, owned mostly by provincial or municipal governments, there are several whose revenues are in yuan but whose debt is almost completely in dollars. According to Moody's Investors Service Inc., these include companies owned by the cities of Shanghai and Shenzhen, two of China's economic powerhouses, and by the government of Fujian Province.

Most of the foreign lenders to GITIC are banks from Japan, according to BasisField, a Hong Kong debt-tracking service. The top creditor is Dai-Ichi Kangyo Bank Ltd., it said, with loans totaling \$61.2 million. The No. 2 creditor was reported to be Dresdner Bank AG of Germany, with loans of \$60.75 million. No American bank was among the top 20 creditors on the Basis Field list.

Neither S&P nor Moody's have downgraded the debt of banks who had

loans outstanding to GITIC.
While China has not said that some foreign debt will not be backed up, its silence on the matter indicates that it wants bankers to begin evaluating loans based on real credit quality, not official

connections, according to some analysts.

"Henceforth, the China story has to be predicated much, much more on a stand-alone credit basis," said John Woods of HSBC in Hong Kong. "I think

In making banks wait for their money.
Beijing has argued that foreigners should not be offended, because foreign creditors do not necessarily get preference in other courses. other countries. That may be true, but as in much of the rest of Asia, China has no tested bankruptcy procedure.

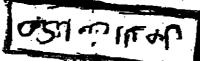
"The problem with China's bankruptcy law is that the actual bankruptcy proceedings are shrouded in secrecy. said Nan Wang, a China bankruptcy specialist in Hong Kong with the U.S. law firm O'Melveny & Myers. "There

Without much faith in China's court system, lenders have previously sought

understanding through "comfort letters" indicating state "support" for loans to companies such as GITIC.

Not all lending to China has been similarly affected. The price of China's sov-"This big country is good for us," he said. "The idea of partition is coming from other countries who was a substitution of the countries who was a substitution of th

HOLD IN PROMISED A TOO THE CONTROL OF THE CONTROL O



Adding Drama To the Voices

Bellini's 'Sonnambula' Revisited

By David Stevens International Herald Tribune

AUSANNE, Switzerland — Bellini's "La Sonnam-

The production just unveiled here also has both vocal attractions, with Natalie Dessay taking on the title role of Amina for the first time, while also offering an attempt to find some drama in the undramatic story of the sentimental complications that grow out of the heroine's nocturnal wan-

The French coloratura is more in the lighter Lily Pons tradition with the role than the weightier approach brought to it by Callas or Joan Sutherland. But Dessay is the real thing, with a voice of bell-like clarity, allied to enormous agility and control. Nor does she slight such dramatic moments as the role

The tenor Raul Gimenez as Elvino, the fiancé who suffers se repeated attacks of jealousy that help to keep the plot going, made a handsome partner, singing with lovely, pliant tone and a real affinity for the Bellinian melodic line. The bass Tomas Tomasson was the handsome Rodolfo, the count who returns to the scene of his youth and who helps to explain the

sleepwalking phenomenon that baffles everyone else.

The program credits Cordelia Dvorak, the costume designer, with the "dramaturgy" as well. This consists mainly of dropping the Swiss village locale of the libretto, with its village mill and rustic locals. Instead, the chorus represents an elegant, alfresco wedding party dressed by Dvorak in the manner of the fashion designer Paul Poiret.

Ezio Frigerio's single set, handsomely lighted by Pascal

Merat, shows an inviting woodsy landscape with an assembly of solid trees in the foreground, providing Waldemar Kamer's staging with the physical necessities for the story, especially for Amina's high-wire somnambulism. Kamer's most striking, if gratuitous, idea was to have Count Rodolfo descend on the scene in a hot-air balloon.

Orchestra with the supple but firm control of a musician at home in this music. In other roles, Claire Larcher was arela Oddone was impressive as the waspish Lisa, who tries to captivate Elvino but settles for the Alessio of Marc Mazuir. Jerome Brunetiere sang the Notary, here transformed into the photographer of the wedding party.

The staging, which triumphed with the Lausanne public, is

a co-production with the Bordeaux Opera, where it will be seen in July, and with the Sao Carlos theater of Lisbon.

Discovery in the Garden of Love

ZURICH - Hans Pfitzner, who died 50 years ago and who is known today almost exclusively through his rarely performed opera "Palestrina," has just appeared in the Zurich Opera's repertory with the Swiss premiere of the second of his

five operas, "Die Rose vom Liebesgarten." This opera has the curious history of having been inspired



Natalie Dessay, left, plays Amina and Claire Larcher is Teresa in Bellini's "La Sonnambula" in Lausanne.

by a painting, Hans Thoma's heavily symbolic "Waechter vor dem Liebesgarten" (Guardian at the Garden of Love). The picture shows an armored knight with a spear, a calm lion at his feet, standing watch at the "garden of love," in which draped women and undraped men comport themselves with leisurely ease.

This is where the opera begins — for garden of love read Paradise, with admittance to the elect and lofty minded. Siegnot becomes the guardian, but is seduced by Minneleide, a kind of queen of forest elves, and although he fails to get her into the garden, his death in the collapsing underworld evenmally paves the way.

e scene in a hot-air balloon.

Evelino Pido conducted the excellent Lausanne Chamber rechestra with the supple but firm control of a musician at ome in this music. In other roles, Claire Larcher was arboration bearing as Teresa, Aminas' foster mother, Grader of the Coldenn was in the control of the contro garden of the prologue is an antiseptic space peopled by the well dressed and high minded. Minneleide's realm is a steamy bourgeois bouldoir. The night people live and work in an industrial wasteland. The rose of the title is a symbol of access to the garden of love.

It is hard not to think of Siegnot as a kind of Parsifal who failed to get the message of Kundry's kiss, but it takes a Wagner to pull off this stuff, and while Pfitzner was a great Wagner admirer and a master of the post-Wagnerian or-chestra, he was a very limited musical dramatist. Within a few ars of this work (1901), Richard Strauss was on his way with

'Salome'' and Puccini's workshop had produced "Tosca." Franz Welser-Moest conducted the score, for the most part with its transparent use of a large orchestra, with a sympathetic feeling for Pfitzner's sound world, and Francisco Araiza as Siegnot and Stephanie Friede as Minneleide headed a large cast with performances of heroic stamina and dramatic effort.

Good Guys, Bad Guys

Battle Over a Movie's Take on 2 Corporations

By Bernard Weinraub New York Times Service

OS ANGELES — What is it worth to a company to get its soft drink or sneaker prominently displayed in a big movie? Tommy Hilfiger, the clothing line, spent \$10 million on a promotion campaign for "The Faculty," a Miramax/Dimen-sion film for Disney about high school students (dressed in Hilfiger) who battle alien invaders.

By contrast, a new Disney film, "A Civil Action," may be the ultimate in reverse product placement. In a rare movie-industry moment, two giant corporations get prominent on-screen ex-posure as the major villains in the reallife story of the pollution of a New England town's water supply and the labyrinthine lawsuit by eight families that accuse the companies of dumping chemicals that caused leukemia and led to eight deaths, including

those of several children. One of the companies, W.R. Grace, reacted strongly to the film, kicking off a behind-thescenes struggle over its portrayal during

ithe making of the movie, even setting up its own Web site in November, www.civil-action.com. The other, Beatrice Foods, was largely broken up in the 1980s, and subsidiaries were sold off. But at one point in the film, the lead character, played by John Travolta, lists former Beatrice brands that are commouplace in millions of U.S. households: Peter Pan peanut butter, Tropicana orange juice, Rosarita Mexican food, Swiss Miss cocoa, Samsonite luggage, Playtex bras and Culligan water systems.

Even as the film was being made, W.R. Grace was sending letters and faxes to Disney lawyers expressing concem that the movie would repeat what Grace said were inaccuracies in the bestselling book by Jonathan Harr on which the film was based. The movie, like the book, is set in the 1980s and focuses on the obsessive efforts of a personal-injury lawyer, Jan Schlichtmann (Travolta), on behalf of eight families in Woburn, Massachusetts, against the two corporations. Schlichtmann loses virtually all he has in representing the families.

Implicit in the exchanges, said one person involved in the making of the film, was Grace's hope to apply enough pressure on Disney to fictionalize the name of the company in the movie. Disney refused to make any changes.

its components. Tropicana Products, for change the names, everyone would was pretty temperate and pretty fair-example, was sold in August to Pepsico, know anyway. It would have been writ-minded. It's undoubtedly true that Grace is for \$3.3 billion. The seller was Seagram Co., which purchased Tropicana 11

fetched to link the company with the tragedy in Woburn. "Tropicana has an excellent environmental record," he said. Of the film he added: "I think people are very smart and realize it has nothing to do with us."

What has surprised executives and producers in Hollywood is that Disney, one of the more conservative and traditional studios, agreed with apparent little question to follow the book and name Beatrice and Grace. Movie studios, mostly owned by conglomerates like Disney, Time Warner and Viacom, generally shy away from controversial subjects and certainly avoid criticizing

W.R. Grace reacted strongly to the film, kicking off a behind-thescenes struggle over its portrayal.

poration to do this," acknowledged Joe to the acetone charge. Its Woburn plant Roth, chairman of Walt Disney Studios. was closed in 1990. "Maybe' I shouldn't say this, but you don't want to throw bricks if you live in a glass house. As a corporation, the more public you are, the more vulnerable you

The film adheres to the book in its allegations against Grace and Beatrice, which was involved through a subsidiary. a tannery run by a cantankerous Woburn resident named John Riley. Specifically, Grace and the Beatrice subsidiary were charged with dumping a substance called TCE, for tricholorethylene, on grounds near their Woburn plants, allowing it to seep into a well that supplied drinking water. The families charged that the contaminated water led to the leukemia

Shortly after the book was purchased by Disney in 1995, one of the producers. Rachel Pfeffer, who took the project to the company, thought briefly about changing the names of the giant cor-porations negatively depicted. "We thought about it for five minutes," she said. "But then we never gave it a whole lot of thought after that. If you change names, you have to start changing history. To be able to say this was based on a true story was important to the filmmakers and the studio." Steven Zaillian, the director and

screenwriter of "A Civil Action," said Grace has conceded making errors in that altering the names "never crossed its handling of the Woburn case, but it my mind." He added: "I knew there'd points proudly to its environmental rec- come a time when Disney would decide ord'in recent years. Harr and the studio whether they would allow me to use real said they had never heard from anyone names. It was their decision, finally. And associated with Beatrice Foods or any of my feeling was, even if they decided to about Grace today. I thought their Web site ten about.

Mark Gutsche, Tropicana's vice pres-ident for public relations, said it was far-that appeared on the screen at the end of the film. Two Disney lawyers, Jack Yellin and Steve Bardwil, spent days working on the crawl and took into account letters sent by Grace to Disney about the depiction of the company.

There were numerous faxes back and forth; I'm not exactly sure why," Zaillian said. "They wanted the wording to be very precise. They'd ask me what I wanted to say, I sent it to them. They'd review it, and sometimes they'd say it's fine, and sometimes they wanted a word or two changed."

The crawl begins by saying that a U.S. District Court judge, Walter Skinner (played by John Lithgow), had found major corporations and businesses.

that John Riley, who ran the Beatriceowned tannery, deliberately concealed

evidence at the trial. The tannery was torn down in 1990. It also says: "W.R. Grace was indicted by the grand jury for making false statements to the EPA regarding its use of the chemicals TCE, acetone and toluene. The

"Faced with the prospect of returning to court, the two companies agreed to pay their share of the \$69.4 million in clean-up costs — the largest, most ex-pensive project of its kind in New Eng-

The crawl goes on to say that Schlicht-mann settled his debts, got married and is now practicing environmental law, today representing 60 families in Toms River, New Jersey, in another contaminated-water case.

Pfeffer said W.R. Grace had "waged somewhat of a campaign with the studio." She said the company had asked, in vain, to read Zaillian's script and to view the film early. The company had also taken issue with some of the details in Harr's book.

In November, Grace set up the Web site, offering details of the company's clean-up efforts in Woburn. In a letter to the media on Dec. 17, Paul Norris, president and chief executive of Grace, said that "the pain and personal loss sustained by the Woburn families saddens us all."

He continued: "Looking back, we realize we made mistakes in how we addressed the concerns of the Woburn community and the government agencies regarding our past waste disposal practices. We have spent the last 12 years working with the community and the environmental agencies to restore their confidence and trust. We've made significant progress.

Harr, the author, spoke evenly about more conscious of environmental con-Pfeffer, Zaillian and another producerns as a result of two things: the case I years ago for \$1.2 billion from Beatrice. cer, Scott Rudin, said the studio's major wrote about and simply changing times."

BOOKS

DUANE'S DEPRESSED

By Larry McMurtry, 431 pages: \$26. Simon & Schuster. Reviewed by Christopher Lehmann-Haupt

T doesn't seem at first as if LDuane Moore is depressed in Larry McMurtry's bitter-sweet new novel, "Duane's Depressed," a sequel to his two earlier books set in the oil-patch town of Thalia, Texas, "The Last Picture

1111:

ngga Banlank

Show' and "Texasville." It's just that "it occurred to him one day - not in a flash, but through a process of seepage, a kind of gas leak into his consciousness - that most of his memories, from first burtship to the lip of old age, involved the cabs of pickups." The passage continues: His long marriage to Karla.

their four children, their nine grandchildren, his booms and his busts, his friendships and his few love affairs had somehow all happened in the few brief periods when he hadn't been in the cab of a pickup, somewhere in the Texas oil

So "two years into his 60s," Duane one day decides to park his pickup in his car-

Richard Paul Evans

NONFICTION

THE GREATEST GENERATION, by Tom

2 THE CENTURY by Peter

Span and computers — in a few months they could probably be brought to accept a

"a hormone storm," as Rag, the Moores' family cook, puts it. Karla leaps to the conclusion that Duane wants to divorce her. The women of Thalia are gladdened, for Duane, popular enough in town to be elected president of the school board and vice president of the Chamber of Commerce, will now be available to marry. And the reader braces for more of the sort of dark-humored farce that McMurtry has proved so adept at in his fiction, particularly the novels that have deprecated the bleak and isolated region where the author

grew up.

At the edge of the plot of "Duane's Depressed," these expectations are fulfilled. Duane and Karla's four rampageons children overcome their problems with drugs and irresponsible lovers and take

port, hide the keys on a high their acts to more worldly shelf in the kitchen and from stages. The nine grandchildthen on "walk wherever he ren begin to emerge as far-out went." Thalia would get used characters on their own. (For

to it, he thinks, "The county instance, Barbi, Dickie's 6had slowly come to accept C- year-old, announces that she wants to join the Mafia when she gets big: "It's my favorite thing in the whole world.")

Sonny Crawford, Duane's sometime buddy and rival for But Duane's action sets off the love of Jacy Farrow, the town beauty, gets gangrene of the feet from sitting around too much in his convenience store. Jacy disappears in the Alaskan wild while filming a beer commercial; eventually an ice fisherman finds her bones.

But the focus of the novel stays fixed on Duane, and through typical narrative sleight of hand on McMurtry's part, the farce is modulated into something drolly

Once Duane starts to walk, he keeps on walking . . . away from his home, his family and his oil business to a getaway cabin he owns some six miles outside Thalia. There, his perspective subtly changed, he discovers that while he wishes his family well, he has "stepped out of the flow of ongoingness" and doesn't miss them in the least. In stages cast off like the

layers of an onion, he passes through boredom, anxiety, a Thoreanvian desire to simplify, an urge to clean up the landscape, a sense that he has wasted his life, until eventually he discovers that the competent and attractive daughter of a storekeeper he begins to get his supplies from is, of all unlikely things in this desolate stretch of Texas, a psychoanalyst, Honor Carmichael M.D.

The second half of the novel is built around Duane's relations with Dr. Carmichael. Duane is indeed depressed. but he is many other things as well, and McMurtry contin-

ues skillfully to plumb his psyche layer by surprising

A couple of slightly overloud notes result from the collision of black farce with the more modulated comedy: a character whose outlook hinges on his despair over having lost one testicle to cancer; an exchange in which Karla asks a friend if she's ever heard of male menopause, and the friend responds that she hasn't, but she knows a lot of men who pause

'just at the wrong time," and a waterbed that smells of fish because as it turns out it is inhabited by a catfish. And a shocking death occurs just a little too conveniently. But "Duane's Depressed"

holds steady at its core. In one typical diversion, Dr. Carmihael asks Duane to read Proust's "Remembrance of Things Past." There follows a comically sympathetic description of an intelligent but uneducated man struggling with a book that seems to him "an impenetrable mass of words." At one point he tries to speed-read it, but "the keyword technique that had been so helpful when reading Time was completely useless when applied to the book he had in his hand. The sentences seemed to run on for pages - often he could not

Eventually he completes the assignment and Dr. Carmichael explains that she wanted him to read it "because it's still the greatest catalog of the varieties of disappointments human beings

even find the verbs."

We have come a long way from the novel's slapstick opening to its nearly sentimental conclusion. But thanks to McMurtry's sure touch, there isn't the least sense of disappointment.

A Womanly Start to a New Year

By Sheridan Morley

ONDON — If 1999 carries on the way it has started, the year will be a tough one theatrically for the male of the species. Five of them turn up in the first two plays of the season, Liz Lochhead's "Perfect Days" (Hampstead) and Shelagh Stephenson's "The Memory of Water" (Vaudeville), and all are an utter

waste of space. In that sense, I guess both new productions are of "woingly neither is any kind of feminist tract. Both plays are written within well-defined comic guidelines, both are traditionally well-made and both are clearly destined for some kind of afterlife on television, which is where either could have started as something between a serial drama and a sitcom.

Most Edinburgh Festival hits make the long trek south over several months and end up looking distinctly hung over and often very fragile in the colder light of a London winter, Days" is that it is every bit Scotland last August.

In an elegant Glasgow loft lives Barbs, (the feisty and fiery Siobhan Redmond in what will clearly be one of the performances of the year), who has her own daytime television slot and a highly successful hairdressing salon. What she does not have is a baby, and, approaching 40, she decides this has to be sorted out. A former husband of remarkable tolerance, a gay boyfriend, a college-age lover and a mother from hell are soon on the scene to aid and abet her quest for motherhood in Lochhead's vital, funny

in John Tiffany's production, what saves

No, "Perfect Days" is not perfect, but

and charming comedy.



but the wonder of "Perfect David Calder and Penny Layden in "The Tempest."

Lochhead's evident enjoyment of her Calder, who philosophically drives this characters and their various social and sexual predicaments.

The other "new" play of the week dates still further back, to July 1996, and also features a mother from hell, in this case dead, but omnipresent. This one comes from Hampstead, where Shelagh Stephenson's first script, the patchily brilliant "The Memory of Water," was first seen in a THE ATER

production by Terry Johnson. Two and a half years later, after a long regional tour, a new production comes into Vandeville, again directed by Johnson but with an all new cast, starring tirely into individual productions on a Alison Steadman, Samantha Bond and wide variety of London and regional

They are three sisters gathered at their of England to bury their cantankerous the middle and lower ranks of the comappears periodically from beyond her

"The Memory of Water" is no in a very long time.

intriguing throwback to all those plays of the early 1950s by Wynyard Browne and N.C. Hunter, in which at some kind of family reunion skeletons would tumble from every closet. Sure enough, these three sisters, all of whose lives have gone horribly adrift, turn out to have been bruised beyond belief by a maternal upbringing somewhere between Alan Bennett and Joe Orton, and the genius of Johnson's production is the way that it ends up in bleak, black humor, drowning in its various admissions of familial guilt and relative failure. The Royal Shakespeare

Company, meanwhile, after two years of what seems to be some kind of artistic breakdown, has come into town to the Barbican with two productions, looking very sharp indeed, while out at Stratford on the home stage a new "Winter's Tale" is also triumphantly hailed.

The Philip Voss "Merchant of Venice" has a sinewy strength and speed. while also on the main Barbican stage Adrian Noble's

as good as we were told it was from it from being a dire morality play is powerfully unusual Prospero in David staging through to new discoveries and map readings of an island that has always been as sinister in its magic as the Never-Never Land of "Peter Pan."

There are also two strongly comic turns from Barry Stanton (Stephano) and Adrian Schiller (Trinculo) in two of the unfunniest jester roles ever

written even by Shakespeare. Nobody has ever doubted Noble's talent as a director, the question is whether he is also the producer who can pull the RSC back into some kind of shape before it fragments en-

stages.
These two Barbican transfers indicate old family home on the Northeast coast that there is still a problem with talent in mother (Margot Leicester), who re- pany, and still another with verse-speaking (and even sometimes understandshiny new coffin to make all their lives ing); but they are the most encouraging start to a new year that the RSC has had

Herald Eribune THE WORLD'S DATIY NEWSPAPER

TUESDAYS MORRIE by

BEST SELLERS

The New York Times This list is based on reports from mon Albom
4 BLIND MAN'S BLUFF,
by Sherry Soring and
Christopher Drew with
Annette Lawrence Drew
5 THE PROFESSOR AND
THE MADMAN, by
Emery Manchester than 2,000 bookstores sho United States. Weeks on the list are not Simon Winchester WE INTERRUPT THIS I A MAN IN FULL by Torn BROADCAST, by Ice Garner
THE DEATH OF
OUTRAGE, by William J. 2 BAG OF BONES, by Stephen King 3 RAINBOW SIX, by Tom Bennett
S FOR THE LOVE OF THE
GAME, by Michael
Jordan
9 A WALK IN THE
WOODS, by Bill Bryson, 10
10 LINDBERGH, by A. Seet
11 POISONWOOD hy Barbara Clancy 4THE BIBLE. KINGSUIVER 5 THE VAMPINE ARMAND. by Anne Rice
6 WHEN THE WIND
BLOWS, by James Paterson
7 MIRROR IMAGE, by 11 THE ENDURANCE by
Caroline Alexander 9
12 THE AMERICAN
CENTURY, by Harold
Evans with Gail Backland
and Kevin Baker
13 A PIRATE LOOKS AT
FIFTY, by Jimmy Buffett 13 - 28
14 THE TEN COMMAND
MENTS. by Laura
Seglessinger and Services Damelic Seel 8 THE SIMPLE TRUTH, by David Baldacci
9 ALL THROUGH THE
NIGHT, by Mary Higgins Clark WITHOUT IO A NICHT WITHOUT ARMOR by level Kilder 10 II CHARMING BILLY, by Ainer McDermoti 12 NEMORS OF A GEISHA, Vogel
15 CONVERSATIONS
WITH GOD: Book 3, by
Nesie Donald Walsch
14 12 MEMORS OF A CESHAby Arthur Golden
13 HARRY POTTER AND
THE SORCERER'S
STONE by J. K. Rowling
14 WELCOME TO THE
WORLD. BABY GIRL.
by Fannuc Flage
15 THE LOCKET. by
D. Jesui. Brail Evans ADVICE, HOW-TO AND MISCELLANEOUS 1 THE GUINNESS BOOK OF RECORDS 1999 2 STEPS TO FENANCIAL HEEDOM by Sare Orman 3 ONE DAY MY SOLE, JUST OPENED UP, by bush

VENZENI 4 EMERIL'S TV DINNERS.

LIVING IN THE U.S.?

Now printed in New York for same day delivery in key cities.

To subscribe, call 1-800-882 2884

Men's Fashion

Function vs. Fantasy: Prada and Gucci Slug It Out



Prada's urban-warrior cape with tab front, tacky pants and heavy boots.

LVMH Courts 2 Rivals In High Drama Offstage

By Suzy Menkes

HEY are the fashion titans of the 1990s. In one corner, a streak of blood red across the sleek hair, scarlet sequins dripping on the jacket and the crescendo from "Psycho" on the soundtrack.

On the other side, a khaki-clad figure bag strapped to the chest, ready to stride bag strapped to the chest, ready to stride out on biker boots into the urban jungle.

This war of two fashion worlds has been made more piquant with the announcement on Tuesday that Prada has sold its 9.5 percent stake in Gucci to LVMH Moet Hennessy Louis Vuitton. thus increasing the possibility that Gucci will be taken over by the French luxury goods company. At the same luxury-goods company. At the same time, Prada itself hopes to cooperate on an undisclosed basis with LVMH. Both

the fashion industry.

Gucci and Prada have come to represent two opposing fashion philosophies at the end of the 20th century: hedonism and optimism versus function and utility. Judging by their current menswsear shows (viewed on-line and on tape), they have both entrenched their positions.

'I started with the same inspiration as last season: optimism, more color, more relaxed - not minimal, but the clothes worn in a minimal way." said Gucci's Tom Ford, referring to the white V-necked T-shirts that cooled down the rich velvet jackets and embroidered jeans or partnered the piebald fur coats and sleek suits.

Prada, by contrast, was strictly practical: flap pockets, omnipresent zippers, tab fastenings and a military palette of khaki, fawn, gold, ginger and brown. These clothes were not just sporty but ergonomic, with a sense that form and function are inseparable. Even the capes — one a military archetype in khaki with a red lining — looked like genuine

*Protection is an important point and I wanted to make formal things more functional," said Minceia Prada, referring to bicycle clips on workplace clothng and boots with everything.

Both houses are quintessentially 1990s in that they deal in items. That means that any piece, isolated from a powerful presentation, has a distinctive International Herald Tribune.

character. That might mean (since both are historically accessory houses) the foorwear: Prada's biker-meets-hiker rubber-toed boots, showcased by pants cropped below the knee; or Gucci's square-toed, patent-leather shoes, catching the light like the oil-slicked hair. Ford sees the shiny feet as part of the need to clean things and a bit."

"the need to clean things up a bit."

But clothes are also used like accessories to highlight an otherwise simple outfit. These modern-minded designers have understood that the current look is never fastidiously put to-gether and that the perfectly cut flatfront pant (Prada) or the ultimate leather jacket (Gucci) can be the compass point around which a wardrobe turns.

The blurring of clothes and accessories is underscored by Prada's latest hit: the "hands-free" bag built into a garment. Prada has developed a lexicon of signature pieces from the original, much-copied nylon bag. Now the body-bag has been developed for the fall season on the front of an anorak, at the waist or fitted under a jacket.

Sensuality rather than practicality is emphasized at Gucci. Tactile deep-pile fabrics like the iridescent velvet jackets still have a whiff of the hippies. Then there is the fur. patchworks of pieces forming a camouflage effect on a vest; fur collars, limings or splashy coats.

It can be ultra-cool to be low-key. Prada's aim is to blend luxury items brown suit, gold suede jacket or even soft-as-silk track suits worn with elegant loafers - into the urban landscape.

You could spot the more showy pieces at Gucci, where the flower-decorated jeans have a Hollywood allure and where the red and green string belt looks like an instant status symbol. But there are also quieter classics: well-proportioned sweaters or blazers in felted cashmere to

which Ford gave raw edges.

Reviewing the collections on-line,
Prada's show looked meatier than Gucci's. But the significance of both collections is that they reinforce already strong images of houses that have marked the 1990s. If LVMH gets Gucci, and if Ford stays at the creative helm, the war for the hearts, bodies and feet of the luxury consumer can only escalate.

SUZY MENKES is fashion editor of the



Gucci's piebald fur coat with flower-patterned, embroidered jeans.

Jeans Makers Get the Blues as Sales Sag

By Roger Tredre

ONDON - Lunchtime at the giant new Community College of Hackney, in the heart of fashionable Shoreditch, east London. The students milling around outside the college entrance are much like students the world over. But with one difference: not one of them is wearing blue denim eans. There are sweat pants, track pants, cargo pants, khakis, chinos and jeans-style pants in moleskin and corduroy, but no blue jeans and precious little denim. The uniform of the young for more than three decades

appears to have performed a vanishing act.

Are blue denim jeans dead? Retailers and manufacturers fear the current slowdown is more than another temporary downturn in the cyclical jeans

"You always get blips," says Alex Forbes, who runs three jeans stores in southeast England under the name Gasoline Alley. "But this time, we suddenly realized it was a lot more than a blip. This is seismic. It'll never get back to how it was before."

Industry observers agree. "It was like denim walked off the edge of a cliff," says Eric Musgrave, event manager of the London menswear trade show

MXL and an authority on the jeans industry.
Sales of jeans across Europe have been falling in volume year-on-year since the mid-1990s. The year to mid-1998 saw a 5.5 percent drop across Europe. The downturn is particularly marked in Britain, where the number of men's jeans sold in the year ending Novem-

ber 1998 was down 11 percent. The shift is affecting Levi Strauss, the world's biggest jeans maker. After a decade of steady growth, sales worldwide in 1997 dropped 4 percent to \$6.9 billion. When the U.S. giant reports its 1998 figures next

Sportswear with a military edge on a street in London.

month, market analysts expect an even bigger drop. Levi Strauss points to demographic problems: a decline in the number of 11- to 24-year-olds who are the critical trend-setting age group for the denim

However, the company admits it has been slow to respond to shifting fashions, particularly the rediscovery of workwear. The major task and challenge for us is to reinvent denim and denim jeanswear for today's youth market," says Robert Hanson, Levi Strauss vice president for marketing in Europe.

In a shake-up of its operation worldwide, Levi Strauss is redeveloping its business as a brand portfolio, with "consumer segmentation projects." straightforward English, this means the company is working harder to find out how to make denim appeal to streetwise urban kids again.

The shift away from blue denim is particularly tough news for the old, established American brands such as Levi's, Lee and Wrangler. Simultaneously, their sales are also being squeezed worldwide by the growth of designer denim brands from names such as Calvin Klein and Tommy Hilfiger, and a myriad of cheaper, own-label store brands. Both are better positioned to withstand the downturn.

The American manufacturers have canceled millions of meters of denim orders. Factories from the United States to North Africa and Southeast Asia are either closing or converting to non-denim products. In Europe, Levi Strauss closed three factories last year in France and Belgium.

Pants in classic five-pocket Western jeans style are still best-sellers, say retailers. But the young no longer want them in denim, and certainly not in blue denim. "That's just so boring," says Ismat Shah, 22, one of the Shoreditch students, dressed in brown cotton twill cargo pants from the retailer Next.

The kids see their parents wearing jeans and they want something different," says Eric Musgrave.
Cotton khakis are the big winner. In the United

States, the growth of dress-down style in the office has given a huge fillip to sales of khakis, also known as chinos. Ironically, this trend has been promoted by Levi Strauss through its subsidiary brand, Dockers, launched in 1986.

Cargo pants, known as combat trousers in Britain. have also boomed at the expense of blue jeans. Back in the winter of 1997, they were adopted by the stylesetters of London's Shoreditch. A year later, they are swamping the high street. Spotting an opportunity, retailers are working hard to improve design and fit. In the United States, Claiborne is launching a new cargo pant for this summer from refined twill and cut slim through the hip.

Can denim make a comeback? The success of cult labels such as Evisu suggests demand can be revived. "Denim needs to become special again," says Eddie Prendergast of Duffer of St. George, who sells several pairs of jeans a week, priced at £200-£300 (\$330-\$490), through his central London store.

Recent market information from Britain suggests a hint of revival in women's denim sales, led by dark blue jeans. "The downward spiral has continued for men's jeans, but has leveled off for women's jeans," says Sam Dark of FashionTrak, a market data supplier.

Designers are also continuing to experiment with denim. Names such as Nicole Farhi are working with new non-fading, denim-effect fabrics. However, most designers prefer the special qualities of the real

thing.
"What's magic about denim is the way it fades with washing," says Olaf Parker of Burro, the British label.

what will always make denim a unique For designers, that will always make denim a unique

ROCER TREDRE is a freelance journalist based in

The big-pocket cargo pants have become the winning look.

Swimwear and Underwear: Suiting Up the Body-Conscious Male diapers from the rear."

By Rebecca Voight

ARIS - These are body-conscious times, but compared to women, men are still the timid sex when it comes to intimate apparel. Most men don't even buy their own briefs, their wives and mothers do it for them. For innovative men's underwear and also swimwear brands, the challenge is to create products with more style and comfort which are on the same wear and care level as the majors and then convince stores and men the difference is

Signs that men are ready for a more sophisticated approach are everywhere. The bodywear concept, where gym, swim, homewear and underwear are sold together as basic fashion, is gaining ground in men's specialty stores. The worldwide success of the U.S. designer Calvin Klein in men's underwear has led a score of other

Vinder the Bonicrophcy Act, or securifies assisting by social conservation.

Will write a leased way - with woments, x - ex-dividend or earlights.

Will write a leased way - with woments, x - ex-dividend or earlights.

Will write a lease of the lease o

designers to try out the market from new col-lections like Italy's Alessandro dell'Acqua and the sport giant Adidas to Helmut Lang, who is expanding its underwear offer after launching his collection two years ago.

"I hated shopping for swimsuits," said the designer Tomas Maier. "They were always too bright. I never found what I liked."

Maier's new swimwear collection, which currently is making its debut, is primarily for wo-men, but he has also included a small 12-piece men's group. "I didn't want to do a collection for men, he explained, "just products with luxury and the right details that correspond to a way of

Maier's suits have style, but they're not fashion statements. He uses Lycra for well-cut basics and slightly sexy shapes. Colors like his muted olive for spring are designed to flatter the skin. The men's range has already been picked up by top international stores like Paris's Panoplie and

The bodywear concept. where gym, swim, homewear and underwear are sold together as basic fashion, is gaining ground.

Maria Luisa, Louis of Boston and Maxfields in Los Angeles, but he is not projecting rapid expansion. 'Most stores depend on image,' he said. "Very few can sell items on their own."

A German, he divides his time between Miami, where his new company is based, and France, where his swimwear is produced and he consults for the fur maker Revillon.

"Swimwear seemed like a good start par-

ticularly for men, because it has been neg-lected," said Maier, who has spent the last 20 years designing in Paris for Rykiel Homme, and notably for Hermes womenswear where he gained his swimwear expertise.

Until recently most men, and the women who buy for them, simply took whatever suit the store had in stock and headed for the sun. The concept of different shapes for different

bodies is well established in womenswear, but it is still new for men." he explained. "Most suits on the market are badly cut, extremely boring, or

over the top. The fact that sales clerks rarely bother to steer short men away from long-legged trunks hasn't helped matters.

"You can't always spot the problem, until you've tried the suit on," said Maier. "Some men's suits don't have enough rise in the back, or there is no proportional difference between the front and the back, which makes them look like

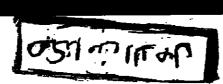
A visit to the men's underwear department of Paris's Galeries Lafayette is like a trip back in retail time when presentation was an unknown concept. Narrow aisles and racks stuffed with repetitive styles packed in nearly identical card-board boxes with Bruce Weber-style masculine

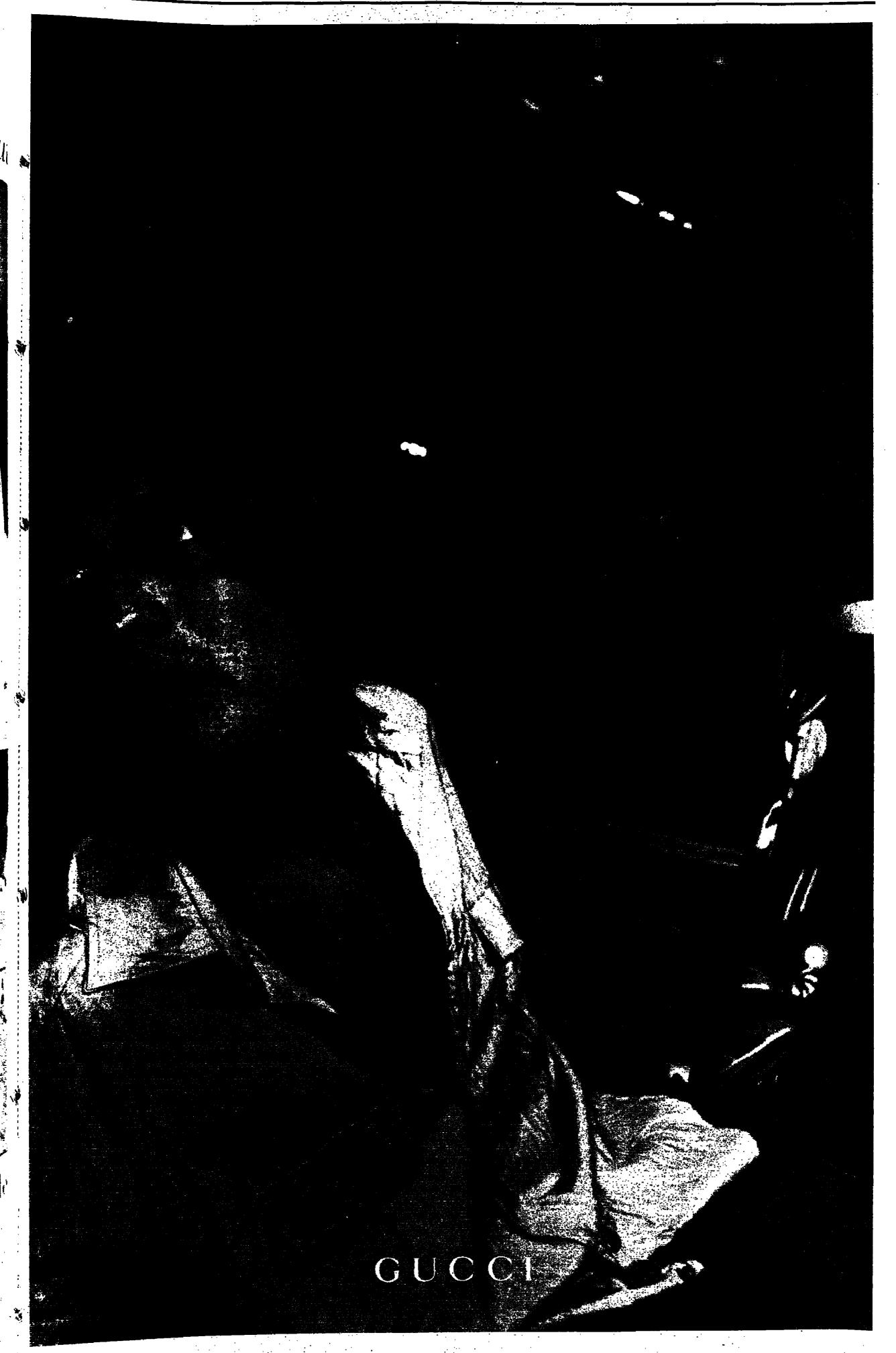
torso shots are mind-numbing. Only a few maverick companies and the U.S. designer Calvin Klein have had any significant modernizing effect over the past decade on what

men are wearing underneath it all. One major who has not lagged behind however, is France's Hom. Its revolutionary horizontal HO1 has sold 1.3 million units single its worldwide launch in 1997. The Louvre's Musee de la Mode has acquired one for its permanent collection.

Hom's explanatory image for its packaging.

Continued on Page III





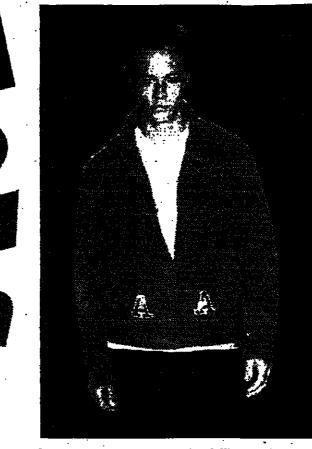
PAGI

MEN'S FASHION / A SPECIAL REPORT

Dressing









Casual but upscale is the message from Milan for the fall/winter season. From left: Cerruti's shirt jackets; Miyake's crumpled-fabric jucket; Alessandro dell'Acqua's jersey top; over-sweater from GFF by Gianfranco Ferre.

London: Scruffy vs. Suity

By Barbara Rosen

ONDON — Until recently if an Englishman's home was his castle, a navy pin-striped suit was his work-aday armor. But even in the land of bowler hats and furled brollies, age-old sartorial mores are changing. "Dressing down" at least one day a week at work has taken a firm foothold in many London offices, from blue chip industrial boardrooms to City of London investment banks and the Bank of England itself. And while it is far from universal, "casual Fridays" seem here to stay

Some companies specify no jeans or T-shirts; for others, almost anything goes as long as you're not going out - which often tends to rule out dressing down among the higher-ups, who have proportionately more outside meetings

At ICI group's headquarters on the banks of the Thames, even jeans have been okay on Fridays since last summer. "If I have a meeting with our chief executive, I'd be in a sweater and I'm a vice president," says Martin Adeney, vice president for public relations. "There are plenty of sweaters around."

In the City of London financial district, you rarely see a bowler hat any more, although you still see "black shoes rather than brown," says one denizen. But on Fridays, in particular, more and more suits are giving way to jeans and chinos, topped by brushed cotton shirts or knitwear.

At Nomura International, everyone from senior management down has been dressing down on Fridays for at least the past three years, although they are periodically reminded not to come to work in jeans or T-shirts.

Bankers Trust International brought the practice over from its U.S. side about two years ago. And at Warburg Dillon Read, part of the UBS group, all employees can dress down at the office any day they want, although the majority still end up in suits because of constant external meetings, says an official. And while the Bank of England's "gatekeepers" still wear

pink tailcoats every day of the week, even there one internal department is dressing down, although a spokesperson wouldn't say officially which one, and added that the bank requires "that staff present a neat and businesslike appearance, avoiding extremes of dress." "Scruffy" is how Adrian Hudson, general manager of RARBARA ROSEN is a freelance writer based in London.

percent of his Friday lunchtime clientele. It's a "suity" kind of place, he adds.

Whittington's is near the London International Financial Futures Exchange, whose 3,000 workers have been dressing down every Friday for the last few months. Floor traders, in particular, who used to doff their bright uniform jackets and change back into suit jackets for lunch, now show up in jeans and "Ralph Lauren polo-type shirts," says Hudson. "They like to show off that they spent a lot of money on the shirt." He doesn't object, he says, because "we'd lose quite a lot of business if we did."

There are, of course, holdouts. "It's always been thought that that would not be the way to go," says a spokesman at Schroders, a bastion of British investment banking.

work and object to what some describe as the imposition of dressing down. "Clothing at work is a way of making distinctions," explains one retailer.

Others find it just too complicated. "There are some men who go from the sublime to the ridiculous" - suits at work and slobs at home, says Cheryl Kuczynski, corporate spokesperson for Marks & Spencer. For those men, a business suit is like a school uniform. It's easier.

Marks & Spencer, Britain's biggest clothing retailer, is finding that customers are buying more and more casualwear. says Kuczynski's counterpart on the fashion side. Like other retailers, Marks & Spencer cites a trend to casual dress going. beyond the workplace, with non-suits now acceptable for dinner parties or an evening at the theater.

Despite the casual trend, Marks & Spencer and other retailers say suit sales are still going strong. Austin Reed, which has about eight stores in central-London, has had success with a smart-casual line called Reed that was launched early last year. But suits are selling stronger than ever, says Roger Jennings, managing director. "Our customer base is primarily the 28 to 30 plus, the more managerial, the more affluent," he says. "Our view is that still at work it's important to feel right and to project your own business identity.

Tokyo: Cues From the West

By Kaori Shoji

▼OKYO—It used to be that the Japanese male had two modes of dress: his dark business suit and his dark pajamas. This matched his lifestyle admirably. When he wasn't working, he was on the commuter train that took him to work. Any time left over was devoted to recovering from his work day. Besides, traditional male aesthetics dictated that he shouldn't care about dress. The fewer things he had in the closet, the better. Anything spiffier than a pair of illfitting jeans (and only if they were a holdover from college) by way of casualwear indicated that he was strange, different, not

Then came the '80s and with it a new male culture. With the And many British businessmen still prefer wearing a suit to advent of men's fashion magazines, from the enormously popular Popeye to classier material like GQ and Esquire, Japanese men were introduced to the joys of casual and attractive clothing like khakis, button-down oxfords, argyle socks, barn jackets and down jackets. Although much of this attire was new to them, they were urged by the media to put it

on, buy an appropriately snazzy car and find a girlfriend. Now almost 20 years later, Japanese men are being plashed by a second big fashion wave: the corporate dressdown. Taking their cues from the United States, many of the largest and most respected Japanese companies have relaxed their dress codes and designated Fridays as "casual day." Employees are urged to discard their suits and get creative. Where once dark blue or dark gray were the only colors deemed suitable for business, men now can choose from multiple shades of green and brown and even beige in the summer. Colored shirts, and colorful patterned ties, are acceptable. Men are also carrying backpacks and little bags that attach to the belt, in lieu of cumbersome briefcases.

As for shoes, men have become downright adventuresome. Black high-tech sneakers or comfortable wing-tips, loafers and even Doc Martens pound the sedate pavements of Tokyo's financial district.

Consequently, navy blazers are coming back with a vengeance, paired with plaid wool shirts or turtlenecks and gray flannels. The young and more fashion-conscious sport the military look which has been all the rage since last year -

U.S. Army bomber jackets or field jackets, black T-shirts and cargo pants. The latter is difficult to carry off, however, unless the wearer works in the media or advertising, where the dress code has always been lax.

Most people, when confronted with the concept of casual, prefer to strike a delicate balance between aspiring to a Ralph Lauren ad and going out to the laundromat. The result: cotton pants, inconspicuous shirt or sweater, and a peu jacket thrown

The dress-down trend has spawned one important change in men's looks — hair. Growing it out, and/or dyeing it, is no longer revolutionary but a matter of course. This is mostly thanks to World Cup and Olympic star athletes who sport long, colored hair. Ten years ago, the only possible haircut for a serious sportsman was closely cropped.

The streets have became dotted with yellow, orange and brown heads that are permed, tied back or even dreadlocked. Last summer, people toting briefcases and correctly turned out in every way were sporting the "Nakata hairdo," named after the soccer hero Hideroshi Nakata: short, shaggy and sunflower yellow.

But while companies now allow plenty of room for experimentation, a good number of men still refuse to loosen up. The 40 and older generation sends wives (many of them abhor being seen in the embarrassing act of buying personal attire) to the huge discount outlets that sell business suits in sets of two, with an extra pair of pants thrown in.

But perhaps there is something else at play. "Salaryman" (company man) ethics favor battered shoes over new; dark colors over bright, polyester over natural cotton. Heavy briefcases reign supreme. It would never do for a man to look too good or be too comfortable, especially now with the stock market in its present state. Men must look dark and seamy if only in deference to the times and the clients.

Thirty years ago, securities salesmen were ordered to wear a wool jacket in the steamiest summer weather when visiting clients, so that sweat stains formed large blotches on the back and under the arms. This was how they made their at sincerity and dedication. Today, the practice still stands. Men's dress in Japan still has a long way to go.

KAORI SHOJI is a freelance journalist based in Tokyo.

Paris: Sporting Chic

By Pat McColl

ARIS — Call it fallout from the World Cup. In the past, French menswear stores were all about refined elegance. Now, for "urbane" read "urban" as the new generation of boutiques is about specific active sportswear crossing over to become streetwear.

This season's prime example is the brightly colored boxy jacket in waterproof polyester Oxford from Aigle, immediately identifiable by the squared off "1853" logo on the left. sleeve. Introduced three years ago, the jacket was designed as nautical sportswear but instead of heading for the open seas, it hit the streets. To date, more than 100,000 have been

For menswear designers like Nino Cerruti or Patrick Lavoix at Christian Dior, it is more than just the inspiration of these sportswear pieces. As Cerruti says, "The attitude has changed with a wider and wider adoption of the casual mood working in the direction of the style of our time." Headquarters for the most innovative at-

titudes toward urban streetwear is Le Shop at 3 Rue d'Argout. The shop's director, Xavier Barotin, claims that much of the impetus for this phenomenon comes from hip-hop or techno music as well as newer city sports like roller-skating and skateboards.

"Everyone wants to look dynamic, ung." he comments. "When a name like young," he comments. "When a name like Yves Saint Laurent uses electronic jazz in his TV commercials, or Prada says it is getting into active sportswear, you know a page has

Le Shop is almost a mini mall with, 25 different collections individually showcased on two levels. What most of the labels have in common is a "techno" approach to fabrics, from oiled denim jeans for the biker crowd to a featherweight down coat lined in an "antifreeze" material to waterproof jogging pants. Everything zips or snaps apart with velcro closings while jacket pockets are specifically designed for mobile phones. Colors are dominants of grays and blacks.

Most of the customers arrive clutching motorcycle helmets. Others roller-blade through the brick-floored store to check out the latest in skate shoes. Customers pick up on other sporty references in tennis gear-sized duffel bags, mountaineer backpacks or thick-soled. as when he dresses up?

that these active sports looks — from the infinite variety of athletic shoes to baseball

caps — have become city style."
"Much of what Le Shop sells used to be defined as 'weekend clothes,' "commented a young menswear designer. "That definition no longer exists."

Quiksilver, which specializes in surf wear

and snowboarding, just opened a 500 square meter boutique at the end of last year at 30 Avenue des Champs-Elysees. A second Quiksilver opens on the Rue de Rivoli at the end of January.

Surfing on the Champs-Elysees? "No." says Catherine Damien, boutique manager, we are not promoting surfing on the Champs-Elysees. What we are about is 'street style." Pointing to the huge Paris Saint-Germain boutique just across the avenue, she adds: "But then, one doesn't play football on

the Champs-Elysees either."
Yet another newcomer to this rapidly growing array of sporiswear as lifestyle is an Italian firm. Napapiji, which opened a boutique in the Village Royal, just off the Rue Royale, two months ago. Through its clothing, it pro-jects an ambience of the polar north with, as its signature, the Norwegian flag. Founded 10 years ago, Napapiji — Finnish for the Arctic Circle — originally made only backpacks and oversized duffel bags. The clothing part of the collection, much of it in techno fabrics like a tear-proof nylon with the look and feel of

cotton, was added six years ago. Inuit sculptures and a huge oil painting of a polar expedition on loan from a museum in St. Petersburg add to that far north image.

Elsewhere in the city, these sports-oriented boutiques are popping up faster than designer ones on the Avenue Montaigne. One of the biggest, still on the drawing boards, is a 5,000 square meter Printemps Sport store, which the department store will open in September

High-end menswear designers are racing down the same sporty track. At Christian Dior, designer Patrick Lavoix calls his mixes: "the comfort factor" as he layers a down parka, instead of a traditional topcoat, over a classic suit.

The Dior difference is in the jacket's luxurious quilted wool fabric.

'Casual chic is very much of a mass lifestyle now," said Nino Cerruti. "Why can't a man look as smart when he's casually dressed



"In the beginning, we were there to PAT MCCOLL is a freelance journalist based President Jacques Chirac of France sporting a parka as he shock," says Barotin. "Now, it seems normal in Paris.

Opened a drive by the charity Restos du Coeur last month. opened a drive by the charity Restos du Coeur last month.

Suiting Up New Male

Continued from Page I

with perforated lines over its patented horizontal fly, explains its easy access difference, offering the first common ground for briefs until now divided by left and right-handed dressing. The blend of cotton, modal and Lycra is hypoaliergenic, reduces humidity and is, the company insists, extremely com-

"Working on style within such a small space fascinates me." said the designer Stephane Plassier, whose brand Stephane Plassier Dessus Dessous is one of the rare new names to produce underwear for men. Plassier designs objects for the home and works on event conception and scenography for museum shows as well as clothes. He thinks of underwear design as more invention than fashion.

"It's a job for Raymond Loewy." he said, referring to a celebrated French industrial designer who made major contributions to that field in the 1940s and 1950s.

At his store in the Marais section of Paris, Plassier sells primarily underwear and bodywear for men. "This is traditionally a gay neighborhood, but now about 60 percent of our clientele is women," he said. He also has a corner at Galeries Lafayette and recently registered the highest progression in sales in the men's department.

After design stints with the big brand Eminence and others, he has sifted through the advantages of both massand design-driven collections and thinks that he has now found the right balance.

'Men's underwear must be comfortable for men, easy care for women and. timelessly fashionable for both," he ex-plained. "The mistake designer brands make is thinking anything goes. All those details like double layers and piping sacrifice comfort for fashion. Most designers end up being only marginal, or dropping out of the market after awhile."

Plassier's current collection is based on an idealized image of the '30s, even though he points out that the real '30s was more about itchy handknit swim trunks than the streamlined forms in his collection.

Key is his fabric research with the

synthetic fiber division of Du Pont ran-ging from this winter's blend of wool, silk and Lycra to a new Lycra piqué that looks like a Lacoste top and next winter's Lycra blend with wool and cashmere for bodywear.

At the small Paris specialty store Panoplie, the buyer Jean-Louis Beaumont says most of what he has seen is either too gimmicky or poor quality.

was the first to buy Helmut Lang's underwear because other stores here considered it too inexpensive and basic," he said, "but that is just what my customers appreciated." Lang, who originally worked with a traditional Austrian knit underwear specialist, has scored with his ribbed cotton knit boxer brief.

THER styles in his collection. says Beaumont, could practically double as swimwear. Panoplie also carries Britain's John Smedley, which has been in business since 1784. With sizes and styles only slightly adjusted for fashion, the traditional brand has become the new cool body basic for men who are into Gucci and Prada.

Sports Locker in London's Covent Garden carries an astonishing 15 underwear brands.

"Department stores come in here fre-quently searching for what is next." said the owner Graham Hanes.

The store was among the first in Europe to carry Calvin Klein back in 1982, and it remains a best-seller. American brands like Polo Ralph Lauren and Tommy Hilfiger, 2(X)ist or the new Papi, which takes its image from rap music and has a strong Lando following in the United States, are the store's best-sellers while European 06signer brands lag behind.

Newest on the market, says Hanes are sport names like Converse and Adidas or Sweden's Bjorn Borg.

We began with underwear as a way to get men to spend a little more, but it is a big draw today," said Hanes. "Man have become much more aware of the bodies because of working out, Underwear tends to merge with homewear and gymwear. It's all part of showing

REBECCA VOIGITT is a freelance journalist based in Paris.

INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, JANUARY 13, 1999

MEN'S FASHION / A SPECIAL REPORT

$A\,Peace ful\,Revolution\,for\,the\,French\,Male$

By William Middleton

ARIS — Nothing less than an avalanche of design talent has poured into Paris fashion in recent years, sweeping aside long-standing traditions and reaside long-standing traditions and reenergizing even the most conservative French
kouses. But the revolution that has transthemed womenswear — led by John Galliano
at Christian Dior, Alexander McQueen at
Givenchy and Alber Elbaz at Guy Laroche —
has largely bypassed menswear. While Galliano pushes forward the image of Dior with
spectacular shows and over-the-top creativity,
his menswear counterpart at the house, Patrick
Lavoix, sticks primarily to suits.

Lavoix, sticks primarily to suits.

The Italians, however, led by Miuccia Prada and Tom Ford at Gucci, have shown how creative excitement in menswear can energize an established house. From rhinestone-studded underwear at Gucci to velcro-fastened hooded jackets at Prada, Italian menswear, backed up by aggressive advertising campaigns, packs just as powerful a punch as its womenswear.

And although there are some early signs of life in the French menswear establishment, primarily Marc Jacobs at Louis Vuitton and Hedi Slimane at Yves Saint Laurent, most French houses have a long way to go to catch sp with their female counterparts or their wals on the other side of the Alps.

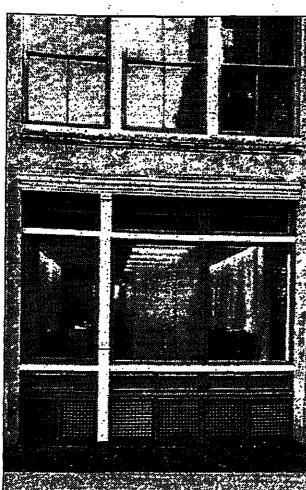
A vivid example of the dilemma facing French menswear can be found in one celebrity couple. The actress Nicole Kidman has been a very visible fan of the revitalized Christian Dior, attending the opening of the Paris bounque last winter and wearing one of Galliano's evening gowns to the Oscars. Her husband Tom Cruise, on the other hand; prefers Prada. While it makes perfect sense for a stylish actress such as Kidman to favor a French couture house, it seems just as logical that her equally stylish husband would buy

"For the moment, unless he wants a tuxedo, he's not our target customer," Christian Dior's president, Sidney Toledano, says

Toledano says that Dior menswear has remained traditional because men are inherently

more conservative than women. and he feels that Prada and Gucci can be more creative because they target a younger customer. Although he refuses to be specific, Toledano suggests that Dior might be moving in that direction. "The 25-35-year-old market does have to be considered." he says. "And we are thinking about it."

The president of Lanvin, Gerald Asaria, is



Hèdi Slimane, Saint Laurent's innovative menswear designer, recognizes that there are limits to how far men's fashion can be pushed. At left, the exterior of Saint Laurent's new boutique in

where the foundation remains a pair of pants, a jacket and a shirt, the room for maneuver is much smaller.'

Asaria notes that, with 240 million francs (\$42 million) in international sales, Lanvin menswear accounts for some 70 percent of the house's business. "It is easier to do more creative menswear for houses like Prada and Gucci because you don't have the existing clientele for more classic pieces," he adds.

Lanvin first began addressing a younger market in 1995, when it introduced Lanvin Studio to complement its classic menswear line. Asaria points out that 80 percent of menswear sales at Lanvin are from classic merchandise, with sportswear and Studio making up the remaining 20 percent. "Our objective is to have 60 percent classic, 20 percent Studio and 20 percent sportswear,

convinced that any change in menswear direction must be gradual. "In women's, you can have a revolution every six months. In men's,

Tintin of luxury; like the books, we're followed by everyone from 7 to 77 years old."

Dumas sees no difference in strategy tween Hermes womenswear, now designed by Martin Margiela, and its menswear, designed for the past 10 years by Veronique Nichanian. 'The goal of our ready-to-wear is to evolve without violating the spirit of the house, to develop but not betray Hermes, Dumas says. "And the public is following Veronique's small, peaceful revolution just as well as Martin's big, peaceful revolution."

Although it is never peaceful revolutions that generate the headlines, that doesn't matter to Hermes. With raglan-sleeve deerskin jackets, unlined three-button suits or linen shirt-jackets in muted colors, the emphasis at Hermes is on a quiet kind of luxury.

At Hermes's luxury rival Louis Vuitton, the designer Marc Jacobs, whose work for the Now, they seem a little more eager. house first hit stores last January, was convinced of the need to come on strong from the WILLIAM MIDDLETON is a freelance beginning. He also felt strongly about the journalist hased in Paris.

importance of targeting both men and women. "Louis Vuitton had never done men's or women's, so if you're going to start something, you might as well start it big."

Having quickly attracted such stellar clients as Jack Nicholson, Philippe Starck, Lenny Kravitz and Steven Meisel, Jacobs is convinced that the time is right for taking risks in menswear. "Menswear is in fashion right now because men are much more fashion-conscious. Whether they are aware of it or not, men now have much more exposure to style."

While Vuitton has plenty of classically conservative suits, it also offers more adventurous looks such as zip-front sweaters in thick cashmere and hooded sweatshirts deluxe.

At Yves Saint Laurent, the president Pierre Berge traces his desire to relaunch menswear to the time when other houses began picking up on the strong shoulders and pinstripes of vin-tage Saint Laurent. "I wanted to regain control of the image of Saint Laurent menswear because of Tom Ford and others like him," Berge explains. "I saw that Saint Laurent was being copied everywhere while we were doing noth-

ing So I said, 'Okay, we'll do that.'"
In 1996, Berge hired the young French designer Hedi Slimane to take over Saint Laurent menswear. Slimane's original concept for Rive Gauche Homme came from the larger-than-life founder of the house. "The first idea I had was to project the personality, the myth, of Monsieur Saint Laurent," he explains.

To translate that into clothing, Slimane went back to the original intent of Rive Gauche Homme. "I had a perception of Saint Laurent Homme that was very conservative, and it was fascinating to learn that the be-ginning, in 1969, was not conservative at all. It was very strong, very contemporary, worn by opinion leaders, a line that Saint Laurent wanted to make for himself and his friends. It was less about suits than luxury sportswear. Over the years, it became more classic and the original idea was lost. So the idea of Rive Gauche now is to go back to the original

Slimane's work for Saint Laurent, from safari dress shirts in sheer cotton to peacoats in off-white mink, has caused something of a

Nonetheless, he is aware that there are limits to how far menswear can be pushed. 'There is still the situation that changing the number of buttons on a jacket can create a scandal," Slimane says. "That's something I find completely unbelievable. But generally, men were reluctant to take risks for years.



Nylon strap-on hag by Mandarina Duck is among new items that are changing look of accessories.

$A\,New\,Mood$ In Accessories

By Lucie Muir

ILAN - Italian menswear designers are about to blow your socks off with a new range of luxurious yet functional accessories. From customized shoes to strap-on bags and wrist purses, men will never look the same again.

In a strategic move, Italy's ready-to-wear designers are investing in bigger accessories collections to boost their revenue. As a result, the men's accessories business is set to become fashion's fastest-growing niche sector as clothing brands come full circle with a range of head-totoe products.

in summing up the new mood. Elizabetta Canali, advertising director for the menswear label Canali, said, Accessories were born as a compliment, now they are a fundamental necessity to a company's business."

And to prove it, Canali is adding new accessories each season. When Canali's Milan flagship store opens in April, plans are to unveil its first hand-finished shoe collection as part of a pilot scheme. Elsewhere, designers have been quick to open stores on

a global scale to accommodate their accessories collections, like the luxury goods label Gucci. which continues to invest in men's accessories with new shop openings and refurbishments. Last year it opened three men's accessories stores in Japan and one in Hong Kong, while another is set to open in Tokyo later this year. Gucci sales of men's accessories brought in \$120 million in the first half of 1998. According to Gucci's

creative director. Tom Ford, the rise of men's accessories is due to a new breed of consumer. "Men are spending more money on themselves and their image. They are no longer afraid of looking vain and are continually discovering the art of looking good and sexy." Ford said. Looking good, meaning in a more personalized way,

and to meet the new trend, menswear designers are hoping to attract more customers by adding a made-tomeasure accessories service to their new stores.

According to Andrea Ciccoli, a business consultant at Bain Cuneo Associates in Milan, "Clients are asking for customized accessories, thinking that good service is more important than the actual product."

One name that has been quick to see the potential in customized accessories is Brioni, the Rome-based suit maker, which has included a made-to-measure accessories section in its new Milan flagship store. Now customers can pick and choose the height of a shoe, the buckle on a belt or put their initials on cashmere socks thanks to an inside team of specialized craftsmen.

Brioni's managing director, Umberto Angeloni, said. 'We have seen the potential of customized accessories at a time when a return to elegance and the need for details has become so important.

ORESEEING the threat to business as more and more big brand labels move into accessories, the specialist neckwear designer Tino Cosma has been customizing ties since 1990. From Milan, Cosma designs ties for statesmen and presidents. President Bill Clinton wore a Cosma tie on Election Day.

"When the big names do well, it is only natural that their future will have an effect on the smaller, more specialized accessories designers. We just have to offer better service, and more beautiful ties," said Cosma, pointing to his latest special edition tie collection. It is made from silk and pure gold threads with zodiac motifs. The ties cost \$200 a piece.

The price may be high, but men, it seems, are prepared to pay in the name of luxury. Take Gucci's new sneakers made in a mix of butter-soft calf skin and fabric and Loro Piana's scarves made from pure strands of vicuna hair.

"The current trends are very much in luxury," confirmed Gildo Zegna, CEO of the men's clothing and textile group. Ermenegildo Zegna, whose latest ties and socks are spun from top-quality cashmere.

We are working on details and innovative new materials to suit the business traveler who demands performance and functionality in what he carries and what he wears," said Zegna, noting that its first collection of small leather goods and travel cases will come out next fall.

But if some designers have their way, men will soon be dressing like urban gladiators in a range of functional accessories designed to withstand the elements. At Mandarina Duck, the Bologna-based accessories

and clothing label known for its technical fabrics and modular designs, bags strap on to the front of the body like bulletproof vests. The company's design team has had to streamline men's accessories to suit demand. "Men want simple,

easy-to-use accessories," said the company's interna-tional marketing manager, Elena Moretti. "They [men] don't want too many devices in an accessory, but they do want lots of pockets," she said, noting that a new line of detachable bags has been developed for the Ducati motorcycle company,
At Erro, the Italian luxury label, demand for men's

accessories is so strong that a separate team of designers has been assigned to the menswear collection.

Under the watch of the creative director, Kean Etro, the final touches are being made to shoes and bags in its new sports line and a range of accessories are being developed to protect the wearer from electromagnetic waves that leak from mobile phones and computers. This capsule collection of hats, gloves and even chest shields, made from the same membrane fabric that covered the Voyager space probe, will be presented at the fall edition of Milan's computer and technology exhibition, Smau. Said Etro, "I like the '90s more then the '80s, You have

to confront design issues in a more methodical way. The real challenge is to renew accessories intelligently with a high function factor."

LUCIE MUIR is a freelance journalist based in Milan.

Paris Hip-Hop on a Roll Dance Moves From the Street to Stage

ARIS -- In a whirl of baggy cords and balding trainers, the dancer Tamaki Toriyabe is dancing hip-hop. He flicks his body about, spins continuously, then snaps a somersault in the air with no apparent concern for vertebral limitations. Taking a break from rehearsal, he says: "It's like this. In New York, hip-hop dancers make their living from doing videos. In Japan, they make money from dancing at the nightclubs, while in Paris it's from the theaters."

When hip-hop first hit Paris in 1983, the story was very different. Back then it had arrived direct from the Bronx, an exuberant black culture born on the streets and comprising rap stars, break dance, DJs, graffiti graphics and matching attitude. Rock Steady Crew and New York City Breakers were the dance heroes, Adidas the clothing brand, and kids hung out all day on the street, break dancing on the platforms of the RER suburban hen toward the end of the 1980s, hip-hop

dance fell from grace in France and went underground as media and youth attention turned instead to performance sports such as snowboarding, surfing and in-line skating. Now it is enjoying a revival, thanks in part to the rather unlikely patronage of French theatcr. For while in the United States, freestyle dance crews such as the Mop Tops and the Jamaican star Bruk Up get their breaks in pop culture, in Paris hip-hop crews are fusing the club scene with the cultural establishment.

Take Toriyabe, 23, and Japanese. He is regarded as one of the city's stellar hip-hop dancers and is credited with introducing house dance, a flamboyant, sensuous derivative of hip-hop, combining African, jazz, tap, marange, capella and salsa influences, into Paris. He is as likely to be found "getting busy" on the dance floor at club night "Respect" at Queen on the Champs-Elysees, as performing at a high profile French theater busy" on the dance floor at club night respect the dance floor at club night respect at Queen on the Champs-Elysees, as spect at Queen on the Champs-Elysees, as performing at a high profile French theater performing the following performance of the following performing the following performance of the following performance performance performing the following performance performance performing the following performance performance performance performing performance performance

Ykanji at the Centre National de la Danse).

The irony is that what started off here as a subcultural street movement is now show-biz bound. "Before hip-hop, dancing in France was about dancing in the street full stop," says the contemporary dancer Blanca Li, who has just choreographed a mix of urban dancers, skaters and a BMX biker for the Suresnes Cites Danse festival (which starts Friday and runs until Jan. 31) in a piece entitled "Macadam, Macadam."
"Now most of these dancers have aspir-

ations beyond that. They still meet on the street and come up through the street, but they want to become part of a company, put on

want to become part or a company, put on their own show, get on stage. More and more, hip-hop is becoming institutionalized and part of the accepted dance world," she said.

For their part, French theaters, such as Paris Villette, Suresnes, Opera Bastille and the Centre National de la Danse, are eager to showcase hip-hop. For a start, it pulls the crowds. "They can't fill the theaters showing traditional classical dance" eags Torivahe traditional, classical dance," says Toriyabe.
"And more and more people are getting into

hip-hop. It attracts a young, new crowd.

As a form of dance, it is accessible, high-energy, and it is not hard to imagine why a guy in a Nike T-shirt, breaking to the sounds of a pumping drum beat is more relevant to your average 18-year-old than a man in a pair of

white tights doing pirouettes.

Olivier Meyer, director of the Theatre de Suresnes, is one of the pioneers of hip-hop dance in French theater, having launched the Suresnes Cites Danse festival of urban dance six years ago. "Certainly these types of shows renew the audience. You get people who have never been to the theater before coming," he says. "The Suresnes Cites Danse attracts around 6,000 people, 70 percent of whom I would say were aged between 15 and 25. Normally, our audience is more like 70 percent aged over 40."



The 10-member dance group Macadam practicing at the Theatre de Suresnes.

few other dancers possess," says Meyer.
"Nowadays, the audience wants action."

Theaters are not the only ones seeking credibility through hip-hop. Less macho than rap and so far less exposed, fashion brands are taking an interest. In Paris, Adidas, which still reigns as the cult brand among dancers here, sponsored two French crews during the World Cup who performed at the Trocadero across the river from the Eiffel Tower. They have also just dressed the crew for "Macadam, Macadam," and, according to the urban product manager Jean Grandy, "It is because it is a youth phenomenon which is still underground, not mass market nor overmediatized, that it is interesting for us as a brand to be involved."

an energy, authenticity and risk-taking that rushing to choreograph a slice of break dan-few other dancers possess," says Meyer. cing into their advertising or dress a hot dancer in a suitably happening video.

Tommy Hilfiger, who has built his brand on a mutual admiration trip with hip-hop culture. has been dressing dance crews, including the Mop Tops, for the past three years. During that time, Peter Paul, freestyle dancer and Tommy-Jeans style coordinator, has seen a radical rise in profile for hip-hop dance.

"A couple of years ago, it wasn't so cool for a group to have dancers," explains Paul. "Then Puffy [rap star Puff Daddy] glamorized dancers, made them look really cool again. Similarly, before dancers were never that fashion-conscious. They didn't care what they wore. Now they feel they have got to look as good as the front man.'

Stylish Glossies With a Russian Accent



Alexey Brodovitch starting a . photo spread for Harper's Bazaar. By Joseph Fitchett

ARIS — The pace-setting men's fash-ion magazines in the 1990s — Face, Arena and I-D in London, Details in New York, Vogue Homme in Paris and a graphic style of cropped images, in-your-face titles and photo spreads. The new page styling obviously fits streetwise fashions, but its visual hand-drawn illustrations ivists, an avant-garde movement that flourished briefly after the Russian Revolution and radically modernized the graphic environment of

"Printed words are seen, not heard" was the manifesto of El Lissitzky, the leading Constructivist poster designer. He sought to mix structivist poster designer. He sought to mix of his pages and text like visual bullets. "Thoughts images and text like visual bullets. "Thoughts in the averages of controlly not phonetic."

Kussian emigre, Alexander Liberman), Harper's Bazzar informed this brilliant moment of American high style, resurrected in facsimiles of his pages in "Alexay Brodovitch." published by Editions Assouline. should be expressed optically, not phonetic-

the art director of Harper's Bazaar from 1934 to cohort for male fashion was men in their 50s. 1958. With no formal training, Brodovitch spent the 1920s in Paris, mixing with Man Ray. Andre Kertesz and other photographers, then went to New York, where he freed the new graphies from its dogmatic origins and used it look-alikes in every European capital - shared for expressive page designs that sharpened

Fashion magazines had finally scrapped hand-drawn illustrations in favor of photosophistication owes much to the Construct- graphy, and Brodovitch nurtured a generation of major talents, including Richard Avedon and Irving Penn. Along with its archrival, Vogue (whose art director from 1942 was another Russian émigré, Alexander Liberman), Harp-

he decreed. "A sequence of pages is a menswear, but Brodovitch's pages conveyed an ally, ne decreed. A sequence of pages of male elegance, too — usually emconstrained by the Banhaus, this compelling bodied by men in well-cut, well-worn suits. This role model fit an era — almost unimation.

Alexey Brodovitch, a Russian émigré who was ginable only 40 years later — when the key

Brodovitch's personal taste ran to dandyism, epitomized by a long jaunty cigarette-holder that magnified his gestures or concentration. A generation ahead of the unstructured look of the 980s, his own soft jackets were worn with long-collared shirts, minimally starched.

Like many dandies, Brodovitch felt that men always look good in uniform, a nostalgia that produced witty spreads on doctors in smocks, acrobats in clown pants and Chinese mandarins in court dress.

Echoing this longing for a group aesthetic in clothing, the new glossies celebrate homeboy apache, roadie chic, skateboarder sportswear and other clone-able styles. This derisive take on collective fashion fits the new glossies' barbarous riffs on revolu-

tionary Constructivist graphics. They bespeak

frustration about a science-fiction future prom-

JOSEPH FITCHETT is on the staff of the International Herald Tribune.

ised by this century but never delivered.

CI

mibu

prov educ ends alone Gr

зad relati taxes

get d from centl ''(salar who in of to t inver

dolla rakes ies al Th

back Sovic 1993 had s 11 m never ger b for la

Cuba State Sir

consi for i Wast ging Ne

main adopt The open-willin

emm touris mosti

Atms/
www.as.
ABM-Ah
Aegen
Aegen
Abold
AsAM Lift
Aegen
Abold
AsAM Lift
Aegen
Book We
B

Conjunit Con

Tuesday's 4 P.M. Close

12 Month High Low Stock

12 Month Hage Low Stock

Continued on Page 14

THE STATE OF THE PROPERTY OF T

1.56cL 2.55 17.6 2

海豚等。

37% 37% 37% -4 113% 10% 108 -4% 16% 10% 10% -7% 17% 17% 17% -0 17% 17% 17% -0

Ok Yid PE HOLING Lawlates Orga

وكا من الاعل

WEDNESDAY, JANUARY 13, 1999

PACE 11

Policymaker Seeks Wider Regulation

Frenchman in EU Post Urges Hedge-Fund Rules

By Alan Friedman
International Herald Tribane

PARIS - The Treasury chief of France, who was appointed Tuesday as head of the European Union's key economic policy-making panel, called for the international regulation of hedge funds and offshore financial centers.

"We need to look at unregulated entities such as hedge funds, which need to be supervised," said Jean Lemierre, director of the French Treasury and a top aide to Finance Minister Dominique Strauss-Kahn.

"Either the offshore centers accept some form of regulation or the onshore financial entities which have relationships with hedge funds should accept new rules," Mr. Lemierre said in an interview. He said he wanted to see Europewide backing for regulation pro-posals already made by Mr. Strauss-Kahn.

Speaking in his first interview since being named to the powerful post, Mr. Lemierre said he agreed with recent proposals from Prime Minister Keizo Obuchi of Japan for a way of achieving greater stability of exchange rates among the euro, the yen and the dollar. But he was wary of creating a mechanism under which governments and central banks would set targets for cur-

rency fluctuations.

"It is clear that everybody needs more stability, and the euro itself will be a force for stability," he said. "But I would be more cautious than to say we need a system of currency target zones. What we need is to study every method of achieving exchange-rate stability.'

Mr. Lemierre, 48, was named as the first chairman of the new EU Economic and Financial Committee that is to coordinate policy-making among the fin-ance ministries of the European Union.

The committee will have substantial power as the behind-the-scenes forum for the planning of economic policies among the 11 nations that have launched the single currency, the euro, as well as for the 15-nation mouthly meetings of EU finance ministers.

The group will also make prepar-Group of Seven meetings and help to coordinate relations between coro-zone finance ministers and the new European Central Bank.

It is this latter role that has been most controversial. Mr. Strauss-Kahn and other European finance ministers have insisted on the need for a political voice in economic policy-making while promising repeatedly not to interfere with the European Central Bank.

'The independence of the European Central Bank is respected by the finance ministers," Mr. Lemierre said, "and members of the bank plus national central banks and Finance Ministry representatives are all members of my committee; so my job will be to create a place where everybody can discuss and reach conclusions on macroeconomic policy, preferably in secret."

Asked whether the committee would recommend interest-rate cuts to keep the euro from becoming strong enough to damage European exports, Mr. Lemierre replied: "Nobody wants a toostrong euro, but it is difficult to say what is a too-strong euro. Our main objective will be to have a good policy mix with the lowest possible interest rates, low inflation and a good level of business confidence."

The French Treasury chief, whose nomination to the Brussels committee could give Paris broader influence over Europewide policy-making, rejected assertions by some economists and government officials that Europe faced a risk of deflation. "No, we are not in that situation." he said. "There is no such risk. What we are seeing now is simply

very low inflation. Looking ahead, Mr. Lemierre also said he was more optimistic than private economists were about economic growth this year in the 11 nations of the single-currency zone.

Asked to comment on widespread forecasts of 1999 average growth of between 1.5 percent and 2.0 percent, he said: "No, we believe it will be better than that. We are more confident because there are good signals that Asia has been working a lot, and let us not forget that the credit crunch everyone feared last September has not materialized."





Henry Paulson Jr., left, will become the sole chief executive of Goldman Sachs as Jon Corzine, right, leaves the post they had shared.

Goldman Sachs Loses A Partner and Pioneer

By Ianthe Jeanne Dugan Washington Post Service

NEW YORK - Jon Corzine, the farm boy turned bond star who led Goldman Sachs Group LP to record earnings, stunned Wall Street with his decision to leave its last major private partnership after major losses and the postponement of his own divisive plan to take the firm public.

Mr. Corzine, 52, who grew up on an Illinois farm, joined Goldman's bond department in 1975 after finishing a tour in the Marine Corns and gestion his business degree at night school He helped pioneer options and

hedged trading, garnering hero status in 1986 by maneuvering the firm out of a short position in the U.S. Treasury-bill market. Mr. Corzine was named chief executive in 1994 after the abrupt departure of Stephen Priedman. He immediately announced a goal of hitting \$10 billion in pretax earnings by 2000.

Working with Henry Paulson Jr., who was president, Mr. Corzine slashed jobs and expenses and instituted an 18-member partnership committee and an 18-member operations committee. While he focused inside the firm, Mr. Panlson, who ran the investment banking arm, worked on drumming up business outside. Earnings soared to \$1.4 billion in

1995, and in the spring of 1996 Mr. Cozzine broached a controversial idea that had been killed through the decades — taking the firm public. For two years, the partners warred over the idea, with Mr. Panlson on one side and Mr. Corzine on the other.

Eventually, the opponents of the plan came around to Mr. Corzine's point of view, particularly as Gold-man struggled with a limited capital

base to expand at home and abroad. Last June 15, the firm announced it would go public, a move that would provide a windfall to employees.

But then the markets unraveled worldwide, crushing Goldman's earnings spree and the plan to go public. In September, Goldman shelved its initial public offering. In the fourth quarter, Goldman earned \$107 million before taxes — its worst quarter since 1994 - as it ran losses in a variety of activities.

"They were hombly embarrassed," I Donna Clark of the canital markets department at A. T. Kearney Inc., an executive search firm. "They were not happy they took their eye off the ball and

Mr. Corzine said that during the management transition, he would continue to focus on the on-again, offagain public offering, which insiders said the company now hoped to finalize by summer.

The news Monday of Mr. Corzine's departure was delivered to managing directors by phone message. The unidentified voice said the firm would continue to support the plan for the public offering.

Mr. Corzine will maintain the post

of co-chairman with Mr. Paulson. But Mr. Paulson will become the sole chief executive.

John Thain and John Thornton were named co-chief operating officers, and the firm created a 15member management committee to replace its executive committee.

An insider at Goldman-Sachs said the management changes had been planned for months and were not related to the financial difficulties or to the delayed public offering. He also said Mr. Corzine himself had chosen Mr. Thain and Mr. Thornton.

Equities Chief at ING Quits

Bloomberg News
AMSTERDAM — ING Groep NV said Tuesday that Jeremy Palmer had quit as head of equities at its investment bank, marking the sixth senior-

level ING resignation in six months.

Mr. Palmer's departure comes as ING moves to restore profits at its ING Barings investment bank by refocusing its management on Europe and the United States after losing money in emerging markets. The bank also said it set up a management committee that includes senior executives from its Amsterdam headquarters.

"ING is positioning itself as a Western European bank rather than a in its banking businesses.

global bank," said Kishore Banger, an analyst at Credit Suisse First Boston. "They're playing to the European strength of their Dutch business."

ING Barings is carrying out an internal reorganization overseen by the chief executive, David Robins, after its focus on emerging markets, since acquiring the failed London securities firm Barings in 1995 led to losses. Mr. Robins, in a memo to employees, said the firm was committed to the equities business. Mr. Robins, who joined in October, is conducting the review after the company reported a loss of 330 million guilders (\$172.9 million)

CURRENCY RATES

Cross Rates London (p) New York (b)

1,152 0,7066 1,6072 129,63 1,7392 7,443 323,80 9,5955 1,3992 0,8599 1,956 156,006 2,1267 9,0681 394,02 11,0366

e: To bay one pound; b: To bay one dollar. DR: Special drawing sights of the IACF. Sources: Bank of Tokyo-Milsobishi (Tokyo); Royo rance (coro); IMF (SDR), Other data from Regions.

Euro Values



Other Dollar Values

Brazil Drags Down Latin Markets

Stocks Plunge as Debt Dispute With State Undermines Confidence

SÃO PAULO — Brazilian stocks plunged Tuesday, dragging down mar-kets across the Americas, as doubts spread about the government's ability to defend the currency and revive the shrinking economy in the face of a fin-

ancial squeeze.

The fears were prompted by an announcement last week by the state of Minas Gerais that it was placing a 90-day moratorium on repaying its \$15 billion debt to the central government. The sell-off was given added steam by speculation that Finance Minister Pedro Malan might resign repewing concern. Malan might resign, renewing concern that Brazil might yet succumb to the crisis in emerging markets despite a \$41.5 billion bailout organized by the International Monetary Fund.

"Brazil is a real problem," said Michael Casey, a portfolio manager at Federated Global Research Corp. in New York. "If something bad were to hap-pen there, that would carry over to other

The Bovespa stock index fell 7.62 percent to close at 5,915.55 after a decline of more than 5 percent Monday. The unease carried over to Mexico, where stocks were down 3.7 percent in late trading; Argentina, where they fell 4 percent, and Venezuela, where they plunged more than 7 percent. U.S. stock

markets also were lower. (Page 12)
"The Brazil effect is hurting share values across emerging markets," said Miguel Iribarne of Mercado Abiento, a

brokerage in Buenos Aires.
President Fernando Henrique Cardoso of Brazil rejected calls by states to renegotiate the 100 billion reals (\$82.7 billion) they owe the government, the latest move in a stand-off over debt relief. While none of Brazil's other 26 states has said it will follow Minas Gerais's debt moratorium, others have said they want to negotiate better terms

with the federal government. "Markets have jumped to the conclusion that Brazil is essentially un-

governable," said Richard Gray of Bank of America in London. Mr. Cardoso did get a vote of con-fidence in Washington from Treasury Secretary Robert Rubin. "I have no question at all he is committed to proceeding politically with an important fiscal program," Mr. Rubin said.

Though the states pay interest rates as low as 6 percent, their bloated bureaucracies and shrinking tax receipts are squeezing their cash flow, driving their calls for debt relief.

Any concession by the federal government would make it more difficult to shore up its own finances. It is running a projected \$64 billion budget deficit, and the economy may shrink as much as 4

percent this year. The government has already done what it can," Mr. Cardoso said. "It has negotiated debts, given them subsidies and lowered their interest rates. Everybody would love to have the interest

rates they're paying." Market interest rates have soared on concern that the debt dispute would un-dermine Brazil's ability to slash its budget deficit and bring down rates.

The country's currency, meanwhile, came under pressure as Brazilian investors refused to trade long-term futures contracts on the real, concerned that Brazil may weaken the currency to ease interest rates and stem capital flight.

The real trades within a narrow trading band set by the central bank. The bank is expected in the next few weeks to make its periodic adjustment to the band. and investors fear that the limit will be widened sharply. That concern also has taken its toll on the stock market.

"The main problem is that Brazil is entering a recession and that fiscal revenues are declining very fast," said Jose Barrionuevo, director of Global Markets Strategy at Lehman Brothers in New York. "Nobody is going to commit funds to emerging markets as long as we don't know what's going to hap-pen in Brazil." (Bloomberg, AFP)

U.S. Warns Japan Over Trade Friction

WASHINGTON - The top U.S. trade official warned Tuesday that U.S.-Japanese trade friction was increasing "dramatically" and urged Tokyo to take immediate corrective measures.

The U.S. trade representative, Char-lene Barshefsky, said Japan's relatively ineffective moves to spur its weak economy and reverse a surge of steel exports had intensified trade tensions and impeded recovery in Asia.

She made her comments after a meeting with Kaoru Yosano, the Japanese trade and industry minister.

"It's no secret that trade tensions between the U.S. and Japan are increasing quite dramatically," she said. She described the surge as "well beyond any economically explainable level." The U.S. commerce secretary, William Daley, who also attended the meet-

ings, said Mr. Yosano had made no commitments on Japanese steel exports. But he said the Japanese official believed that such exports this year would be "substantially less" than in 1998.

Mr. Yosano said after the meeting that he was sure the dispute could be solved amicably.

But the United States last week publicly warned Japan that its steelmakers could face punitive sanctions if they failed to take quick action to reduce

Mr. Daley said Washington would closely monitor the flow of steel from Japan to the United States in the next (AFP, Bloomberg) few months.

U.S. Moves Toward Sanctions

The United States will ask the World Trade Organization to approve sanctions against goods from the European

Union in the dispute over trade in bananas, a U.S. trade envoy said, Reuters

reported from Geneva.

The official, Rita Hayes, spoke to reporters shortly before the organiza-tion's Dispute Settlement Body agreed to a request from Ecuador to reconvene an expert panel to review the EU's new banana import and marketing policy to decide whether it complied with opentrading rules.

The EU has modified its banana imort policy since the organization struck down its earlier practice, which favored bananas imported from former European colonies, mainly in the Caribbean, over fruit from Latin America that is marketed largely by big U.S. companies.

The U.S. says the revised policy still violates the trade body's rules, and it has announced plans for retaliatory sanctions on a variety of EU goods.

Global Private Banking

Wherever you go, wherever YOU MAY BE, YOU'LL FIND THAT REPUBLIC SPEAKS YOUR LANGUAGE.



al Bank of New York

Our multilingual account officers are at your service in some three-dozen financial centres around the world. And though they speak many different languages, all are committed to one fundamental principle: to protect our clients' capital as we safeguard its purchasing power.

It is a simple principle upon which we base our brand of financial conservatism: private

banking built upon rigor, discipline and prudence. This sophisticated conservatism, vigorously pursued, has created a global private bank of exceptional stability, capable of weathering the roughest storms.

Indeed, Republic's capitalization ratio, on a risk adjusted basis, is twice as great as that required by the world's international banking regulators.

To our way of thinking, it is security as well as return that we must ensure each day. And in the process, to provide a unique quality of service, understanding and discretion.





A Salza Bank • New York • Genera • London • Beiling • Beirut • Beverly Hills • Beams Aires • Cayman Islands • Copet - Hang Keng * Jakeria * Los Angeles * Lagaco * Latambourg * Mamila * Menico City * Miani - Milan - Monte Carlo * Monteviden * Montrea 1800w * Nassan * Paris * Penta del Esto * Rio de Janeiro - Santiago * San Paulo - Singapore * Sydney * Taipei * Tokyo * Toronto * Zurich

e Republic National Bank of New York, 1998

Dow Jones

W١

AMB' AMBat AMBat AMBA AMB C BK Be BASF Boyer Boyer Boyer

THE AMERICAS

Investor's America 30-Year T-Bond Yield Dollar in Deutsche marks

Net Stocks Lead Market Down, for a Change

NEW YORK — Stocks slumped broadly Tuesday as investors wor- a profit. ried that Internet-related shares had risen too far too fast and that financial turmoil in Brazil could cause trouble for the U.S. economy.

The biggest losses came in the technology-heavy Nasdaq composite index, which turned sharply lower after a seven-day streak of gains led by Internet stocks. The Nasdaq closed down 63.59 points at

But broader indexes fell, too, with the Dow Jones industrial average off 145.21 at 9,474.68 and the Standard & Poor's 500-stock index down

advancing ones by a ratio of 5 to 2 on the New York Stock Exchange. Investors continued to worry that

many of which have never reported

"We're in the profit-reporting period; there are a lot of concerns, said Barry Berman, head trader for Robert W. Baird & Co. in Milwau-

U.S. STOCKS

Among the biggest losers were Amazon.com, the on-line bookseller, which fell 211/4 to 1631/4, and Lycos, an Internet search service, which was down 261/2 at 1041/2.

Yahoo! and Intel also sank ahead of their fourth-quarter earnings reports, due after the close of trading. Some investors worried that their earnings expectations might have risen too high. Yahoo! was down 19 11/16 at 395 11/16, and Intel was off

4 3/16 at 135 9/16.

rating on the largest maker of cablemodern computer chips. He wrote in a report that its recent surge had outstripped its profit potential.

"It's what I call buying exhaustion," said Ken Pasternak, chief executive of Knight Securities, a New York-based brokerage that makes markets in Nasdaq stocks. "We're not seeing as many buyers as we've seen in the last four or five days. Every frenzy exhausts itself."

Blue-chip shares also fell as investors continued to take profits, vious holiday season. after a rally that drove prices into. With investors pulling their record territory. There was also money out of stocks, U.S. Treasury some concern in the market that a securities surged in price as money looming debt crisis in Brazil, which

ticularly among Internet companies. Morgan Stanley Dean Witter ana after an analyst at Morgan Stanley. many of which have never reported lyst, Mark Edelstone, lowered his R. Wayne Atwell, downgraded it to "underperform" from "outperform.

Walt Disney rose 2 11/16 to 37 15/16 after it and Infoseek, an Internet directory service, unveiled their Go Network Web site, aimed at attracting more consumers and revenue on-line.

Eastman Kodak rose 41/2 to 79%. The Wall Street Journal reported that U.S. sales of 35mm film rolls rose about 18 percent in the four weeks ended Dec. 26 from the pre-

managers continued to see safety in drove down stock prices there, could U.S. government debt. The benchisen too high. Yahoo! was down 19
11/16 at 395 11/16, and Intel was off
13/16 at 135 9/16.

Broadcom fell 1914 to 138 after a

drove down stock prices there, could U.S. government debt. The benchfiait 30 year bond was up 1 12/32
point to 100 17/32, driving down the
The Dow was dragged lower by
yield to 5.21 percent from 5.30 percent. (AP, Bloomberg)

Justice Department and 19 states as

The government asserts, he said, that Microsoft has an enduring

monopoly because its Windows op-

erating system controls the basic

operations on more than 90 percent

of personal computers sold and that

barriers to entry in that market are high. But he added that the gov-

ernment had also noted how Mi-

crosoft invested hundreds of mil-

lions of dollars because it was scared

maker of Internet browser software,

"What is striking about the late-night e-mails and the almost frantic

concern over competitive threats is that they show that Microsoft itself

was extremely insecure about its

David Boies of the Justice De-

partment said Microsoft indeed had

been deeply worried, "but it also had its thumb on the scale."

■ Prototype of New Browser

In spite of intense legal tussling between Microsoft and the govern-ment over whether the software gi-

ant unfairly used the dominance of

Windows to promote its Internet Ex-

plorer 4.0 browser, Microsoft begin

distributing a prototype of the next version, IE 5.0, on Monday, The Wishington Post reported.

leadership in operating systems," Mr. Schmalensee said.

'fundamentally inconsistent.''

There was widespread talk in the market that the Bank of Ja-FOREIGN EXCHANGE

absolutely unchanged.

Dollar Gains

On Talk of

Intervention

Bridge News

rebounded against the yen Tues-

day amid speculation about m-

tervention in the currency mar-

sharply against the Japanese

currency in recent days, was

also bolstered by comments

from Treasury Secretary Robert Rubin, who said Washington's

support for a strong dollar was

ket by the Bank of Japan. The dollar, which had fallen

NEW YORK - The dollar

pan had srepped in to buy dollars to try to weaken the yea, for the first time in nearly three years. Japanese authorities have warned about possible intervention in recent days, but they did not confirm the speculation.

*The concern on the part of the Japanese authorities is not to let the yen get too strong to starve their economy," said Jeremy Fand, senior currency

strategist at BankBoston. Also, the world is of the opinion they don't want to see too strong of a yen. They want

to see Asia recover. Japan's chief cabinet secretary, Hiromu Nonaka, said an excessive rise in the value of the yen was not desirable for the world's economy, but he said he had not heard about any intervention.

Mr. Rubin's comments then further reassured buyers of dollars, who helped lift the currency in 4 P.M. trading to 112.425 yen from 108.675 yen Monday.

But the euro gained ground against the dollar over renewed worries about Brazil. Latin American stock markets phimmeted, and fears that the United States could be affected drove up the euro.

"The focus right now is intervention and Brazil," said Hugh Walsh, senior dealer at Commerzhank.

The euro rose to \$1.1565 from \$1.1497, while the pound rose to \$1,6305 from \$1,6295. The dollar fell to 1.3875 Swiss francs from 1.4000 francs.

24.34 at 1,239.54. Declining issues outnumbered

stock prices were not justified by the outlook for corporate earnings, par-

By Steve Lohr
New York Times Service

Corp. has opened its defense in the

an economist from Massachusetts

Institute of Technology bearing a

massive tome of written testimony

business practices are good for con-

with a simple message: Microsoft's

PALO ALTO, California -

E*Trade Group Inc. said Tuesday

it was forming an investment bank

to help companies raise money by

E*Trade, the second-largest on-

government's antitrust lawsuit, with

WASHINGTON — Microsoft

Microsoft Witness Derides 'Inconsistent' Lawsuit

competitive challenges posed by the rise of the Internet.

monopolist has the power to panish higher prices in the long run. competitors and gouge consumers. In his testimony, Mr. Sch-The government's evidence shows malensee described the suit by the in his direct testimony, amounts to speculation" based on a "morass of e-mails" from Microsoft executives that at first glance may seem damaging, but are not. Forget the atmospherics, Mr. Schmalensee told the court, and focus on the outcome somers, and any government med-dling with the software industry to consumers. measurable harm, current or future,

probably would do more harm than "Proper economic inquiry into whether a company is engaged in some economists have noted. The 328-page testimony Monday by Richard Schmalensee of MIT is a anti-competitive conduct should end if it concludes that consumers blunderbuss rebuttal to the Justice Department's two-and-a-half-month harmed in the future," he wrote. attempt to prove that Microsoft used

Walter Cruttenden 3d, both of

own securities firms.

Internet, challenging traditional securities firms as it did when it analyst with Piper Jaffray Cos., "but the most interesting thing is

system in recent years, even as the prices of other components of computer systems have declined. Still. the cost of Windows accounts for - what he insisted is a lack of less than 5 percent of the price of a typical PC — not really evidence of the kind of price-gouging normally associated with a monopolist, as But the government's case is fo-

that Microsoft has increased the

price it charges personal-computer

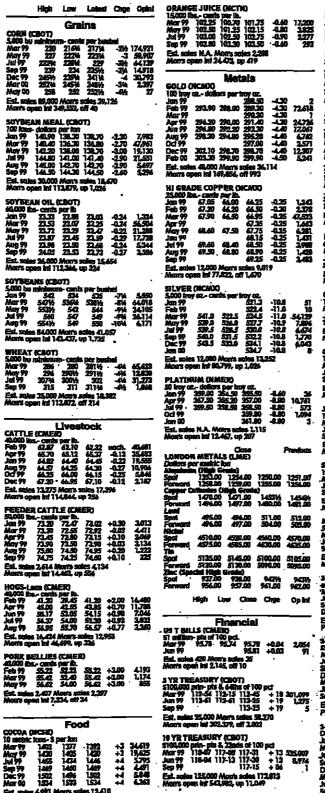
makers for its Windows operating

cused as much on the future as on the of losing its dominance to an upstart have not been harmed by the con- recent past. If Microsoft is allowed duct at issue and are not likely to be to continue to thwart competition. Netscape Communications Corp. the Justice Department says, conits monopoly in personal-computer High and rising product prices are sumers will surely suffer from less operating system software to thwart typically the litmus test of whether a product choice, less innovation and

E*Trade to Move Into Investment Banking with a group of investors that in- business, just as they have done

cludes Sanford Robertson and with the retail business." announcement whom previously founded their E*Trade shares soaring \$12.4375 to close at \$100.9375 in Nasdag "Sure, this will be a hot retail trading. The stock ended 1998 at product," said Steve Franco, an \$46.78125.

The new company's goal is to slash the cost of a corporate sethis gives them a hook into the curities offering to about 4.5 perinstitutional market. They have the cent of the amount raised from the line brokerage, plans to inaugurate ability to dramatically change the traditional 7 percent fee charged by E*Offering by the end of the year economics of the institutional investment bankers.



INTERNATIONAL FUTURES per bbl. 1285 1289 12.92 12.96 13.00 13.03 13.09 13.13 13.22 13.24 13.35 13.36 ### TURAL GAS (HAMER) | 18.000 mm bites 5 per men bite | 18.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 GERMAN MARK (CMER) 125,000 ments, 5 per merk Mer 99 .9334 .5872 .29 Jun 99 .3954 .5940 .59 Sep 99 .29 JAPANESE YEN (CMER)
12.5 million yen, 5 per 100 yen
Mar 99 \$225 \$934 \$992 \$921
Jan 99 \$290 \$960 \$970 \$022
Sep 99 \$202 \$917 \$9177 \$025 SWISS FRANC (CMER) MEXICAN PESO (CMEX) 12.02 11.49 11.07 11.35 11.95 11.46 12.10 11.43 12.14 11.92 12.33 12.11 12.44 12.28

CAC # [MS.TIF]*

sub 10 per ladar point

Jon 99 #254.0 #02.0 #10.0 #10.0

Mor 90 #271.5 #123.0 #123.0 #12.0

Mor 00 #231.5 #232.5 #174.0 #12.0 Est. spies: %,975* Open int.:91,175 up 7,392

Bermuda-Based ACE to Acquire Cigna's Property-Casualty Units

HAMILTON, Bermuda — ACE Ltd. agreed Tuesday to

pay \$3.45 billion for the property and casualty businesses of Cigna Corp., allowing the third-largest U.S. health insurer to leave that business and concentrate on employee benefits. Cigna, which is based in Philadelphia, said it would take a \$60 million after-tax fourth-quarter charge for restructuring and for losses in its property-casualty line. The industry suffered one of its worst years in decades in 1998 as fewer companies bought insurance against such risks as storm damage.

bought insurance against such risks as storm damage.

ACE said Dec. 22 it was negotiating to buy Cigna's domestic and international property-casualty units. The purchase gives Bermuda-based ACE companies whose premiums exceed its own by almost four times, furthering its ambition of becoming a worldwide insurer through acquisitions.

ACE gets a very strong international operation, and that is something they've been looking to acquire," said Alice Schroeder, an analyst at PaineWebber Inc.

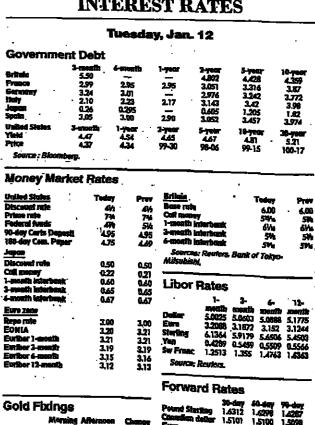
ACE plans to finance the purchase with cash and new equity and debt securities. Though the company is considerably smaller than the businesses it is acquiring, it is far more profitable. The Bermuda-based insurer had an operating profit of \$418 million in its latest financial year, which ended Sept. 30. Cigna's property-casualty units had a profit of \$198 million in 1997.

Cigna's domestic property-casualty unit is the 20th-largest U.S. business insurer, with 1997 net premiums of about \$1.6 billion. Its international division had about \$1.8 billion in premiums in 1997. ACE had \$883 million in premiums in its

ACE's shares rose 18.75 cents to close at \$33.125; Cigns was up \$1.375 at \$84.875.

Cigna plans to use the proceeds from the ACE transaction to buy back stock, make acquisitions and grow internally. A spokesman said any acquisitions would be added to the company's employee-benefits businesses.

INTEREST RATES



مكنا من الاعل

Very briefly:

 Bank America Corp. said it would eliminate or shift to new jobs 18,000 workers over the next three to four years to reduce costs and refocus its businesses.

. Lands' End Inc., the catalog retailer of casual clothes, said it would cut 11 percent of its staff, liquidate its Willis & Geiger unit after failing to find a buyer, and close three outlet stores to

• Calpine Corp.. a producer of geothermal energy, said it would buy 12 power plants in northern California from PG&E Corp. for \$139 million in cash to expand in the state's deregulated electricity market.

 Automobile manufacturers have created a new trade group that will include foreign-based companies as well as General Motors Corp. and Ford Motor Co. The new group. the Alliance of Automobile Manufacturers, has nine member companies and will focus on issues of agreement among domestic and foreign automakers, such as environment and

safety issues, industry officials said Monday. • Tazo, an Oregon-based tea company, has been bought out by Starbucks Coffee Co., which said it would discontinue its

in-house Infusia brand of tea. • President-elect Hugo Chavez of Venezuela won France's backing Tuesday for the restructuring of its foreign debt with the Paris Club of Western creditor countries.

• Cemex SA of Mexico increased its stake in Rizal Cement Inc. of the Philippines from 30 percent to 70 percent and its stake in PT Semen Gresik of Indonesia from 16 percent to 22 percent; the company said it paid \$128 million for increasing its stake in Rizal, and \$49.1 million for the additional holdings

• International Paper Co. said its fourth-quarter earnings fell 43 percent to \$66 million, hunt by weak paper prices and rising competition from overseas producers.

• American Financial Group Inc., a property and casualty insurer, said it would buy the auto insurer Worldwide Insurance Co. from Aegon NV of the Netherlands for \$115 Bloomberg, AP, Reuters

U. S. STOCK MARKET DIARY Tuesday, Jan. 12 Tuesday, Jan. 12 **Most Actives** NYSE 第1日報告報の第1日である。 Teday 4 P.M. 1487.97 686.95 254.82 133.43 1239.54 616.49 SOYBEAM MEAL (CBOT)

NYSE DiBdesi Initial Class a Cosnect i Lycos a Escile 2 E Trada Microsi i Descor a Yujeo Anazzan s CMGi s Assassi Infonsek MCI Wind AMEX AMEX SPOR NTINCom Herban PC Quale TWA RoyalO g FARSPY Viacib Ampex Nesons

NYSE Nasdaa **AMEX Dividends**

975 1-22 99 1-25 25 1-15 25 1-15 25 1-20 26 1-20 26 1-20 26 1-20 26 1-20 26 1-20 26 1-20 26 1-20 26 1-20 26 1-20

COFFEE C (NCSE) 37,500 lbs.- cants per lb. Mar 99 122-50 117,00 1 May 99 122-51 118,00 1 Jul 97 122-50 118,50 1 Sep 99 122,50 119,45 1 Dec 99 123,00 120,40 1

19 YR TREASURY (CBOT) \$100,000 prin- pit 8, 32eds of 100 pci Marr 9 119-97 117-97 117-31 + 13 535,007 Jun 97 118-94 117-13 117-30 + 13 8,774 Sep 97 117-15 + 06 1 Ept. solar 125,000 Moors adea 173,873 Moors open int 5-0,982, up 11,049

US TREASURY BONDS (CBOT)
(8 pcl-5104,000 pts & 325/ds of 100 pcf)
Marr 90 125-21 124-08 125-11 + 20 600,151
Jun 97 125-20 124-08 124-25 + 20 32,336
Sep 97 124-16 124-12 124-12 + 20 6975
Dac 99 122-39 123-15 122-64 + 19 1,099
Est, solina 400,000 Morris solina 426,664
Morris open int 650,551, off 7,826 3-MONTH EUROLIRA (LIFFE) 17L i billen - pis of 100 pci Mar 99 90.710 94.880 64.840 emp100.008 - pts of 100 pci Mar 99 112.81 111.57 111.95 — 0.01 91.029 Est. soles: 34.912 Open bpt. 91.029 of 119

-1.90 -2.75 -2.35 -2.20 -2.05

-0.08 -0.09 -0.11 -0.07

Close
1,207.40
1,514.70
1,514.70
176.624
lated Press,
straig Futto
1 Exchange

291:40

30-day 1.6312 1.5101 1.1561 111.61 1.3893 80-80y 1.6298 1.5100

F. 441 8512

"HILLIAM

EUROPE

In Table Surplus | In Table of Sets a Record Intervention In Germany

WIESBADEN - Germany had a

record trade surplus of 8.54 billion turos (\$9.82 billion) in November, putting itself in position to post a new high for all of 1998, the Federal Statistics Office said Tuesday.

The November surplus was Germany's highest ever in a single month, the government said. It compared with surpluses of 6.44 billion euros in October and 5.8 billion euros in November 1997.

Some economists had expected the month's trade surplus to shrink as economic instability overseas, particularly in Asia, burt exports. That impact is expected to slow the German economy but will not show up until later in 1999, said Gertrud Traud, economist at Bank Julius

Baer in Frankfurt. Most forward-looking economic indicators - such as growth predictions and manufacturing orders - point to a worsening economy,

The Finance Ministry said Tues day that industrial output fell 2.3 percent in November, largely because of weakness in manufacturing and construction. Economists had predicted a drop of about 0.5 percent. The deputy finance minister, Heiner Flassbeck, said there was a 'danger' the unemployment rate could rise during 1999 as a slowing economy caused the labor market to

In December, the seasonally ad-10.7 percent in November. The government expects German economic growth to slow to about 2 percent in 1999 from about 3 percent in 1998, but some private economists' preictions are lower. The latest foreast from a major German research institute put growth in 1999 at 1.4 percent, compared with 2.8 percent

'The correlation between unemployment and the growth rate is absolutely clear," Mr. Flassbeck said. "I am taking it very seriously because in the past we have seen that these kinds of dips are very dan- years by weakness in prices, because (AP, AFP, Bloomberg) of lower Asian demand linked to the stock. "They're closer to refocusing

LVMH Raises Its Stake in Gucci

Purchase Likely to Lead to Takeover Bid, Analysts Say

Italian fashion house, Prada.

Analysts said the move seemed . likely to presage a bid for a full takeover of Gucci by the acquisitive LVMIL

LVMH would not comment immediately on its plans after paying \$397.9 million to buy 5.64 million Gucci shares from Prada. But analysts said the chairman of LVMH, Bernard Arnault, was unlikely to

be content with a minority stake.
"The question is when and at "The question is when and at ticipate cooperating in order to what price Arnault will buy out achieve synergy in various areas of Gucci," said John Wakely, managing director of equity research at common interest, particularly in commercial and industrial mat-Lehman Brothers in London

Gucci, which is best known for its leather goods but also makes Prada.

nessy Louis Vuitton SA, the French Prada. Gucci would give LVMH percent last year. luxury-goods maker, raised its another brand to sell in the stores it Mr. Wakely of luxury-goods maker, raised its another brand to sell in the stores it stake in Gucci Group NV to more owns, such as those of DFS Group than 14.5 percent Tuesday, buying Ltd., a luxury-goods and duty-free were to reach a distribution agree-

> LVMH, the maker of Louis Gucci, Prada said in documents filed with the U.S. Securities and

Exchange Commission. Shares of Gucci finished at 57.90 euros (\$66.53), down 2.65; those of LVMH fell 5.90 euros to 206.40.

LVMH said it and Prada "anters." It did not elaborate on what it meant by closer cooperation with

accessories, competes in some of Bertelli and his wife, Miuccia Pra-PARIS - LVMH Moet Hen- those markets with LVMH and da, raised its stake in Gucci to 9.5

a 9.5 percent stake from another retailer it took control of two years ment, LVMH might keep its stake

at the present level. LVMH, which also owns the Vuitton bags as well as Christian Sephora perfume and cosmetic re-Dior and Givenchy perfumes, paid tailer, needs more branded \$70.50 a share for Prada's stake in products for DFS, analysts said. "One thing LVMH needs to do

> brands," Mr. Wakely said. "For a retailer the size of DFS, one could argue LVMH doesn't have enough brands that it owns

is fill up the shelves with luxury

Some analysts say LVMH could finance a purchase of Gucci with the sale of some or all of its 10.9 percent stake in the British food and beverage company Diageo PLC. Mr. Amault stepped down from Diageo's board last month, prompt-

itself.

shoes, ready-to-wear clothing and Prada, co-owned by Patrizio ing speculation about such a sale. **Arjo Wiggins to Split Into 3 Units**

Moves by Papermaker Are Termed a Possible Prelude to a Sale

LONDON — Arjo Wiggins Appleton PLC, the world's biggest

maker of fine writing paper, said Tuesday that it would split into three justed jobless rate rose for the first separately managed units, a move time in a year, to 10.8 percent from that could be a prelude to selling businesses, analysts said.

The British-French maker of fax and fine art paper said it would restructure its activities along operational lines, rather than the current geographical organization, to increase value for investors.

Each of the three divisions to managed by its own chief executive and board, after the resignation Tuesday of the chief executive, Philippe Beylier, who will not be replaced.

Like other papermakers, Arjo Wiggins has been battered in recent

region's financial crisis. The group the group on a given area and we has benefited from low prices for think their strong area is paper" pulp, its principal raw material, but sales and distribution. this has not offset the downward

ting program in 1995 to cope with competition and shrinking profit. Analysts said the changes anmore than 40 percent in the past six around the world.

up 0.06, in Paris.

The three divisions will be a cartrend in paper prices. bonless and thermal paper unit, a
Arjo Wiggins started a cost-cutpremium fine, specialty and coated papers unit; and a marketing division, which the company calls 'merchanting.'' The reorganization nounced Tuesday would be the first follows the company's announcestep in a sale of some businesses as it ment in July that it would review its also tried to lift its shares, down carbonless and thermal paper assets

months. Arjo Wiggins shares closed "The change in management fo-at 115 pence (\$1.87), up 5.5, in cus allows us a clear vision as to emerge from the revamping will be London and at 1.65 euros (\$1.90), what is best for the future of each of our businesses, but at the same time fense-related jobs. The company is preparing to "di-vest efficiently and quickly one of the divisions," said Christian the nonexecutive chairman, Ken Georges, an analyst at Credit Ly- Minton, who will become executive onnais Securities Europe, who has a chairman, taking on some of Mr.

"buy" recommendation on the Beylier's duties.

(Bridge News, Bloomberg)

72.00 78.50 102.50 30.20 27.40 144.00 272.00 272.00 50.00 114.00 78.00 78.00 78.00 62.50

Vickers Plans **Arms Venture** With Giat

LONDON - Vickers PLC, the main supplier of tanks to the British Army, and Giat Industries, a French state-owned armaments maker, said Tuesday they would jointly make armored vehicles to cut costs and offset the impact of falling orders.

Vickers, which developed the tank more than 80 years ago, faces declining orders for its main vehicle, the Challenger II, while Giat, which makes the Leclerc 88 rank, has relied on state subsidies to offset losses in recent years. The companies have combined sales of \$3 billion and could reduce development costs and jobs by uniting, analysts said.

'It makes sense to come together and divide the spoils rather than compete against each other," said Tony Lancelott, an analyst at Capel Cure Sharp in London.

A sharp drop in military spending

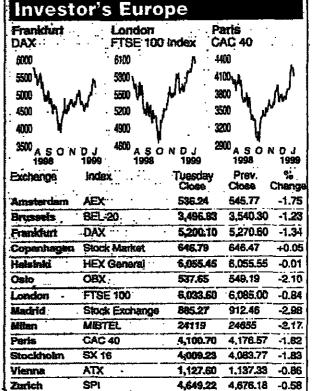
since the end of the Cold War has prompted contractors to consider alliances. Particularly in Europe, companies are holding cross-border discussions as they aim to form bigger competitors to U.S. defense

Giat and Vickers said an announcement of their venture was imminent after several months of talks. Both companies cautioned that the exact form of the venture

had not been decided. Vickers is unlikely to pursue an outright merger of its defense business with Giat because it would want to protect its shareholders from the 'substantial' costs of restructuring the French company, said Mark Dichlian, an analyst at Paribas.

Both companies have cut jobs as business has slowed. Giat said it planned to trim one-third of its work force, or 3,550 jobs, and close three plants. Vickers, which also makes turbines and marine propellers, is closing its tank-making plant in Leeds, England, and cutting 650 de-

Alvis PLC bought the armored vehicle business of GKN PLC last year. Vickers is expanding its nonmilitary business to reduce its de-



Very briefly:

• Easy Jet Airline Co. of Britain posted a profit of £2.3 million (\$3.7 million) for the year ended Sept. 30, its first profit since it was started three years ago, as it benefited from a boom in "nofrills" air travel in Europe after deregulation of the industry. EasyJet had a loss of £3.3 million in the previous year.

 Cortecs PLC reduced its work force by about 25 percent last week as part of a cost-cutting effort. The British drugdevelopment company, which jarred investors last month when it disclosed major delays in drug development, cut 75 employees from its worldwide staff of 300.

• The European Union's index of business confidence rose in December to 103.7 from a revised 103.4 in November as consumers remained upbeat, the European Commission said. Business confidence in the 11 countries in Europe's singlecurrency zone was unchanged at 104.2 in December.

 France's inflation rate in 1998 fell to its lowest level in 44 years, according to the national statistics institute INSEE. The consumer price index rose an average 0.7 percent in 1998 from a year earlier, the smallest increase since 1954, when prices fell an average 0.3 percent.

 Autostrade SpA is holding talks with MCI-WorldCom Inc., the second-largest U.S. long-distance phone company. and others on how to use the cable network of Italy's biggest toll-highways operator.

Vickers was the biggest British • Mergers and acquisitions involving German companies maker of armored vehicles until almost tripled in value in 1998 from a year earlier, to 226 billion almost tripled in value in 1998 from a year earlier, to 226 billion euros (\$260 billion), according to M&A International GmbH. · Sears PLC, a British retailer, said it was holding talks that could lead to the sale of its in-store credit-card subsidiary, Creation Financial Services Ltd. Analysts said Creation could bring in as much as £120 million. Bloomberg, Renters

Nikkei 225: 13340.97 Toronto

High Low Close Pres

High Low Close Prev.

WORLD STOCK MARKETS

Tuesday, Jan. 12 in euros for EMU countries.

30990 35900 9450 8480 8250 68000 22990 39950 30410 35100 35800 9245 9775 8210 8395 8000 8180 64610 67700 22410 23100

244.00 252.00 79.00 86.00 195.00 197.00 192.00 197.00 21.00 21.75 272.00 306.00 19.50 772.00 19.50 19.75 58.00 59.00 77.50 77.50 250.00 80.50 706.00 195.00 71.50 716.00 804.00 61.50 78.00 254.00 204.00 194.00 95.00 27.00 314.00 800.00 60.00 80.00

Previews: 2433.71

2 53300 540.75 543.75

2 76400 285.30 285.75

2 76400 285.30 285.75

1 87600 175.75 175.75

2 55.30 24.30 24.30

4 1.00 42.00 43.10

5 834.00 813.75 844.00

1 90.75 172.70 174.60

1 90.75 172.70

1 40.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90

2 100.00 185.50 189.90 74.10 72 74.45 124.55 111.80 33.55 167 71.20 340.40 60.85 167 74.30 74.70 79.30 139.80 406 114 34.88 173.20 71.90 437 340.40 169.80 50.50

6.25 3.76 4.46 1.15 2.25 1.00 5.00 2.59 30.90 4.57 1.18 1.07 5.16 2.69 31.29

115.00 118.00 118.00 123.00 23

London 8.20 32.00 5.40 16.50 117.30 21.01 9.05 56.30 10.40 40.33 7.95 25.80 7,83 33,00 15,55 16,70 116,20 21,59 8,82 54,91 10,70 38,40 7,95 25,62 8.25 33.00 5.53 17.59 120.00 21.50 9.10 57.50 11.20 40.59 8.07 25.80

Montreal 7.53.64 10.53.65 11.77.64 11. Reviews Group
Rio Tirido R
RAMC Group
Rois Royce
Royal BS Scot Royal
Tide Scot
Thames Royal
Tide Scot
Thames Woter
Stord Charter
Stord Charter
Stord Charter
Stord Charter
Stord Charter
Stord Royal
Tide Scot
Thames Woter
Stord Royal
Tide Scot
Thames Woter
Stord Royal
Tide Scot
Tide Scot
Tide Scot
Thames Woter
Stord Royal
Tide Scot
Tide Scot Madrid www.bobom

Acciona
ACESSA
AGRASS Borcelon
Argentaria
88V
Bouestan
Bon Centro Hasp
Bon Centro Hasp
Bon Sendander
Bon Sendander
Bon Sendander
Bon Sendander
Cantinerie
Sevillana Electr
Tubectises
Telefonica
Union Fenoso
Volenc Cement

Manilla Elect B
Manilla Elect B 57.70 113.89 522.10 13.52 11.03 9.95 61.42 22.70 22.71 14.74 48.45 11.11 48.45 11.11 48.45 11.11 48.45 11.11 57.10 13.53 57.55 77.57 13.97 9.90 80.40 16.16 12.73 12.44 60.10 12.73 12.44 60.10 12.73 12.44 60.10 12.73 1 59,40 14,90 14,30 14.50 14.00 14.50 14.50 14.50 13.00 12.50 12.55 12.75 97.00 95.00 94.00 94.50 94.50 94.50 94.50 12.50

FT-5E 18: 201.00
Previous 201. Mexico
www.haw.com.mx
Alito A
Banacci B
Bantooner B
Bantooner B
Bantooner B
Bantooner B
Carro Al
Carro CPO
Table Table Table
Lale trading 24.50 7.24 1.51 15.80 27.30 29.95 20.40 10.00 N.T. 24.85 107.50 22.10 12.75 6.39 1.47 10.60 1.47 10.60 11.11 11.11 12.10 12.

201 192 197 2010
193.00 497 9 2010
193.00 497 9 2010
193.00 497 9 2010
193.00 497 9 2010
110.10 111.10
112.21 12.21 12.10
113.01 12.44 12.44
130 12.44 12.44
130 12.45 12.45
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
14.70 73.65 73.65
15.70 73.65 73.65
15.70 73.65 73.65
15.70 73.65 73.65
15.70 73.65 73.65
15.70 73.65 73.65
15.70 73.65 73.65
15.70 73.65 73.65
15.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
17.70 73.65
1 Bohn Indo: 3/74/43 Previous: 3592/20 24/50 25/20 27/85 7:24 9.54 9.84 1.57 1.59 1.59 15/80 16/10 16/14 27/30 27/40 28/30 29/55 29/55 37.10 20/40 20/55 12/80 10/20 10/66 10/50 N.T. N.T. 18,00 24/85 24/90 20/55 10/50 10/50 10/60 22/10 22/20 22/90 113 114.55 113.14 666 682.50 677.10 89.60 53.10 53.10 386 397.60 389.20 476.90 484.10 488.10 54.90 55.11 55.40 114.55 682.50 53.10 397 489.90 55.17 6,90 580 460,00 18,00 22,15 6,40 16,50 43,50 48,00 120,00 114,50 73,97 0,12 29,00 123,00 14,30 marica: 1419.00
marica: 14455.66
p. 4615.6465.646
p. 4655.6467
p. 17.70
p. 12.5999 4.90 5.50 1.065 5.71 1.06 6400 26550 10800 33000 18600 15500 67500 57500 38400 38400 6600 27800 10700 33900 18600 16200 47900 59500 96400 40000 4050 9800 31100 17000 14600 45200 57000 85100 8620

pendence on the defense industry. High Low Close Pres ladustriais index: 3578.56 Shenzhen Pravious: 3579.17 0.88 3.55 2.16 3.99 2.32 3.56 1.46

www.ses.com.s City Dentis Cycle Contrage Daty Farm Int' Bas Toreign Das Toreign Das Lond Francisco Best Benne HK Lond Jard Strategic Keppel Corp. OCBC toreign OCBC toreign OCBC toreign OCBC toreign OS Unior Bit SembCorp Ind. Sing Land Sing Land English Sing Lond English Sing Lond English Sing Lond English Sing Teleconin Unio OSee Bit F 7,30 4,20 1,05 14,70 2,68 4,30 1,74 4,50 12,60 7,15 2,07 12,30 18,70 12,54 10,80 7.55 1.07 15.00 2.75 6.50 1.30 1.78 4.58 12.70 2.13 12.80 4.98 19.20 2.48 10.90 7.50 1.530 15.30 1.535 1.316 1.306 1.306 1.306 1.306 19.30 19.30 1.30 1.30

5X 16 index: 409,23 Previous: 4083.77 105.00 107.50 107.50 102.00 80.00 81.50 82.50 144.00 143.00 140.50 144.00 143.00 140.50 144.00 167.50 146.59 144.50 145.50 147.50 145.50 167.50 146.59 144.50 167.50 146.59 144.50 167.50 147.50 152.50 130.00 188.00 177.00 87.00 207.00 87.00 87.00 207.00 17.00 87.00 207.00 17.00 87.00 207.00 17.00 180.00 207.00 17.00 180.00 207.00 17.00 17.00 145.00 17.00 17.00 145.00 17.00 17.00 145.00 17.00 17.00 145.00 17.00 17.00 145.00 17.00 17.00 145.00 17.00 17.00 145.00 17.00 17.00 145.00 17.00 17.00 145.00 17.00 1921-211-79375991569971193373956971-785729638839853955078966971193375964971-7857296388398539550789669711588115911688 www.usse.se
AGA B
ABB A
ABB B
A ABB B
ASSIDoman
Astro B
Assin D
Astro B
Astro 108.000 83.000 170.500 178.000 178.000 178.000 208.000 All Orchantes: 2844.30
Previous: 2867.40
19.84 28.85 28.33
10.19.84 28.85 28.33
10.19.84 28.85 28.33
10.19.84 10.41 10.75
11.77 11.77 12.06
12.00 12.79 12.15
24.62 24.11 2.45
24.62 4.59 4.47
22.55 22.70 22.94
24.28 4.59 4.47
25.56 25.76 5.83 5.82
24.28 4.59 5.49
25.56 5.83 5.82
24.28 4.59 5.49
25.56 5.83 5.82
26 28.84 5.99 8.80
27.72 20.73 20.73
28.76 5.83 5.82
29.76 5.83 5.82
29.77 20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.77 20.77
20.7 6.90 20.20 12.05 12.05 12.06 22.00 20.00 2

Shock Martinel index: 4362.89
Previous: 4404.39
9.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
39.90
3 40.40 67.00 297.00 105.00 47.50 10.00 47.90 45.50 30.20 47.40 87.00 47.40 87.00 47.40 Tel Aviv
www.tsse.co.2
Bk Happelim
Bk Lesmi
Bkzeq isr Tel
108 Dev.
isroel Chom.
isr Discound Bk
Koor Industries
M.A. Industries
Teva Pharm.

7.87 6.09 14.56 89.40 4.24 3.65 *381.00 9.44 166.20

ZUITICH
www.bourse ch

ABB 8

ABB R

Adecco

Albrausse R

Ades-Serono B

Boet Holg R

Bothize Holg R

BK Visuor

ClooSpec Chem
Cloofspec Chem
Robert LB B

Nestic LB B

Nestic LB B

Nestic R

Schemoni A

Richemoni A

Richem

Tel Aniv 25 index: 316.85
Previous: 317.38

87 7.75 7.82 7.80
99 683 6.09
56 14.00 14.51 14.44
56 87.30 87.30 87.30
24 4.13 4.14 4.22
25 3.62 3.63 3.63 3.63
10 377.00 380.00 385.00
4 9.24 9.24 9.24
10 163.40 163.40 166.20

ીજિક્ષાનાના, ફો

THE INTERMARKET

OFFSHORE COMPANIES

BUSINESS OPPORTUNITIES

TELECOMMUNICATIONS 2

kallback®

New Lower Rates!

Instant Activation • Fiber-Optic Networks

Itemized 6-Second Billing . Ideal for Home, Office,

Hotels and Mobile Phones

Agent Inquiries Invited

Tel: 1.206.599.1991 • U.S.: 1.800.965.1626

Fax: 1.206.599.1981

417 Second Avenue West Seattle, WA 98119 USA

www.kallback.com . Email: info@kallback.com

to call US, UK, France, Germany,

Sweden, Norway, Australia, Canada,

from anywhere in the world

(plus ultra low rates to all other destinations)

"when using Net2Phone Pro" system (one time fee not included)

1402 TEANECH ROAD + SUITE 114 + TEANECK, NEW JERSEY + 07666 + USA

Looking for International Franchise Opportunities?

jusi dudiisned — New 1999 Kamon

International Herald Tribune

International Franchise Guide

Detailed, up-to-date profiles on the world's leading international frunchisors and service providers, 192 pages, US\$34.95

Sent to JHT Guide, P.O. Box 12488, Oakland, CA 94604 USA.

Cash, Money Order, Visa, or M/C.

(Send Acri #. expiry date & approval signature).

master franchises and area development opportunities.

(includes shipping).

Tel.(510) 88853474 or

Pay (510) 839-2104.

-1/4

Setting New

Standards

Industry

Neb site, www.franchiseintl.com

Email sourcetook@earthlink.net

The definitive guide devoted solely to international Franchising.

INT'L FRANCHISES

Dail 201,287,8490 Fax 201,287,8437

Banking

WE PROVIDE DOCUMENTARY & Standby Letters of Creds, Bank Gueran-tees, Proof of Funds & Funding Commis-ment, Fax. 305-682-1620 USA.

FOR SALE: BANKING COMPANIES & international offshore Banks Contact us at Fax: +49-230-779 381 Germany

Call the U.S. from:

France.....20¢

Germany......24¢ ltaly.....34¢

japan.....32¢

U.K..... 17¢

111

....

. . . .

. .

Business Opportunities

2nd PASSPORTS / Driving Licences / Degrees/Carnouflage Passports/Secret Bank Accounts. Fax +3120.5241407, E-mail: 100413.3245@compuserve.com http://www.global-money.com 2ND PASSPORT SICK Also EU, Diplomatic, Drivers Licences, Email: cquel@unet.net.ph Fast 63-2-831 7552

No Deposit

No Minimum

No Set Up Fees

No VAT

NEVIVORLD

Berald Tribune

THE WORLD'S DAILY NEWSPAPER

"I chose a BMS Technologies franchise because it

technology and training we received, along with the tremendous ongoing head office support, we are

a business Ireland simply needed. With the

arryaled. In the fields of Insurance Restoration

"BMS Technologies offers a fantastic opportunity to grow a substantial business in several different

narkets. Already a household name across many

ow in a position to offer a service that is

and Indoor Air Quality, we are setting new

parts of the world, Europe is set to take off!"

tandards
For The
Industry

Success is only a cell away

1-817-332-1575

Usa FAN: 817-332-5349

www.bmstechnologies.com

tandards for the industry."

EMPIRE STATE BUILDING ADDRESS Gain instant credibility Gain meam creatively.

Establish a NY presence in
the world's best-known
building. Mail received, phone
answering, conference
room, furnished mini-offices. EMPERE STATE PUSINERS CENTER TEL: 212-736-8072 • FAX: 212-584-1135

HEALTH SERVICES

AMERICAN PHYSICIAN.

in philosophical and ampirical psy-

chology, practises psychological and general medicine in Harley

Call 0171-255-1909

OFFSHORE

COMPANIES

Comprehensive Services

Tel. +44 (0) 1624 625291 Fac. +44 (0) 1624 625126

ASTON CORPORATE TRUSTEES LTD

OFFSHORE COMPANIES

READY MADE CO'S., FULL ADMIN TRADE DOCUMENTS AND LIC BANKING & ACCOUNTING

Contact Stella Ho for Immediate

services & company brochure NACS LTD, Room 1108, Ablon Pleza 2-6 Grannile Road, TST, Kowloon,

Hong Kong, e-mail: nacs@hk/super.net Tel: 852-27241223 Fax 852-27224373

SALES AGENCIES: Sales Rep Needed for Pennsylvana, USA based Ultra Modern Aerospace Machining Company, Speciation in High Speed 5 Axis Machining Wishing to expand into the European Market, Fifty plus 3,4 8,5 Axis machining sections in a 67 Axis Micrograph of the Section 1,67 Axis Mi

centers up to 87 long, fully supported by Inspection staff & CMAL in a 380,000 sq.

it Machining & Assembly Facility. (addi-tional expansion planned for '99). Boarng Approved. Oxalified Manufacturers Rep

Companies only, customer base a plus. Finances negotiable. Send resume and or literature to P.O. Box 51113. Philadel-

phia, PA 19115 Att: Sales Manager. Also see our website at www.brennerlool.com

INVESTORS SOUGHT.

Patented medical product. US \$1 million minimum to US \$7.5 million maximum.

Trade FUTURES & OPTIONS on the INTERNET www.sitsade.com

Stadelhoistr. 18, 8024 Zurich

ROMANIAN Manpower Co. Icensed by Government, providing skilled personnel for any tand of activity (construction, m-

dustry, heleta/restaurants, domestic helo

etc.) seeks companies abroad for collab-oration. Serv - Dasicon Ltd. Tel +40.1/3323678, Fax 3321630, Bucharest.

TALENTED SALES AGENTS, Ladies

and Gentlemen wanted to sell presige advertising including CD membership. Sell in your home area or travel. Service d'information Code Diplomatique & Cor-sulaire, P.O.E. 224, CI-8056 Zurich. Far no. ++41 1 371 71 08.

SELLING SWISS-COMPANY, AG established since 1962 in Switzerland. Adapted for International patent holding and incancing operations. Please contact by lac. +41 1 715 2083 - Mrs Mason

OFFSHORE COMPANIES. For free bro-

chure or advice Tel London 44 181 741 1224 Fax: 44 181 748 6558/6338

FLORIDA USA. (3) Art related companies, RV Park. Other Companies for sale. www.bradwaygroup.com or ented: jaybradway@misn.com

HIGH YIELD TRADING PROGRAMI Ex-

clusively direct contracts between Triple AAA Bank & Investors. Fazilat. +34 971 67 45 46 or +34 619 448 205 (mobile)

SELL 2,000 x 486 IBM computers, used warranty, worldwide delivery \$49 Fax: +33 493 48.7870 www.CompEurope.com

CHINA BUSINESS SERVICES

Web Size: www.aston-iom.demon

Street, London, W. 1A 1AB,

Business Opportunities

Poland Your entry to the EU Special Economic Zones Manufacture in Poland - Sell to Europe income tax exernotions easonable restete & labor markets. Coll : Era - Ivex

Tel: (4842) 637-5523

Fax. (4842) 630-0165 devalopol@kappa.com.pl

LEADING

INTERNATIONAL

SPECIALISTS

Offshore Companies

& Trust Formation

Fast, afficient, professional

\$350

\$500

£850

\$495

5495

£225

£250

£495

Management, nominee &

administration services.

Bunk introductions.

Baliza - 18C

BY Islands

Cyprus

Florida

Jersey

Isle of Man

Ireland (Noo-Res)

Others on request

Credit Card payments accepted

Call NOW for more information

Charterhouse

Group Limited

+44 1624 813566

+44 1624 816339

ac cosgreapservices Blanterprise.net

TRUST COMPANY

FOR SALE

"established 1949" Call: 310-376-3480 (USA)

e-mait wbc@ibm.nel

YOUR U.K. REQUIREMENTS Located &

Resolved High Interest Investments & Currency Exchanges Arranged U.K. Sourcing. Tel Fax. +44 (0)1494 866733

ATELEIA MANAGEMENT LTD

(Offshore Corporate & Trust)
Contact: Tony Gould Alam Albert
Tel Fax +44 1624 616007.616003

E-mail: ateleia Senterprise net or Bernard Cambray. France Tell-Far: +33 2 9691782996917904

Hobite -33 (19732796

Dynamic Public Relations, merketing consultant will assess your company needs, develop inth service communications programs, create international network or implementation, evaluate results. U.S. and European locations with

NYC LAW FIRM - BUSINESS

Real Estate - Litigation - Immigration Tel 212-797-5400, Fax. 212-943-3295

VETERAN AMERICAN WRITTER travels anywhere to arrie your book or screen play Erneit dickcote@bcokdoctor.com

Bond Street - Mail, Phone, Fax, Telex Tet. 44 171 290 5000 Fax 171 499 7517

Bond Street - Mail, Phone. Fax. Telex Tet. 44 171 290 9000 Fax 171 499 7517

broad European affances Contact President Cloud Communications Te 206-441-3077 Fax: 206-441-3005 USA

E-mail caviac@ctoutcomm.com

E-mail cohengoids Caol com.

YOUR OFFICE IN LONDON

YOUR OFFICE IN LONDON

Business Services

Business Opportunities

Delaware

BARONIAL TITLES was explicited at 125 Parker Peering has published and dealt with the afficiency of Europe. To acquire an authorize access so that or French tale with confidence contact us at lept lift.

Suite 202, Albany House, Regent St., London WIR SAA.

Tel. (44) 1903 506440

Fazz (44) 1903 700476

OFFSHORE

COMPANIES, TRUSTS & FOUNDATIONS

Since 1977 we have specialised in advising

on the use of offshore companies, lours a

other structures to achieve both personal an corporate tex savengs and to maintain privacy We incorporate in ALL offshore jurisdiction

SERVICES LIMITED

Tel: + 353 1 661 8490 Fex. + 353 1 661 8490

F-Mad: int@ICSL.com

LONDON - Peyman Zia

M: + 44 171 493 4244 Fax: + 44 171 491 060

E-Mait uk@ICSL.com

www.ICSL.com

Funding Problems?

Fax BANCOR Today!

(632) 810-9284

www.bac.com.ph

1st/Business Class Frequent Travelled

Wordside. Up to 50% off. No coupons. no restrictions Impenal Canada Tel. 1-514-341-7227 Fax: 1-514-341-7998

e-mail: fiy@imperialconsultanis.com http://www.imperialconsultanis.com

ALLIANCE FUNDING & TRADING UNLIMITED CAPITAL AVAILABLE

COMMERCIAL MORTGAGES

MERGERS & ACQUISITIONS

VENTURE CAPITAL EXPANSION CAPITAL INITIAL PUBLIC OFFERINGS (IPO)

Pan Building and Assistance, along with the structuring of Offshore Corporations for its and asset protection.

NO UP FRONT FEES BROKER MOUIRIES WELCOME TEL: (8)1-305-650-2577

International Financing specialists

over 30 years expenence

FAX: 001-305-650-2566 certundinggroup@yahoo.com

FINANCIAL **SERVICES**

Business Travel

Capital Available

and offer full post incorporation sen professionally and at reasonable cost.

ISLE OF MAN ...

Fine Rattan Furniture Eye catching Collection of Wicker Chairs, styled and crafted as never before, for the upper-end Living

We are a German-Indo Wicker Furniture Manufacturer operating lished Uphoistery Fectory catering to the upper-end of the market. Let's work together, if you want to import and market these well-selling Wicker Chairs.

Contact P.T. Santika Giriyasa FAX 62-231-230 263

BUSINESS

FINANCE

AVAILABLE

For any viable

projects worldwide.

Fax brief synopsis in

English to:

Corporate Advances UK

+ 44-7070-658080

PASSPORT

AGENTS NEEDED

ASEAN visa free passport \$ 5K

BY LAWYERS 100% RENEWABLE

Tel: +36 1 319-2584

Fax: +36 1 319-2689

info@second-passport.com

www.second-passport.com

ROUGH DIAMONDS. We will pay instant

cash for gern quality, African origin, volume only Fact 954 474-3866 USA

\$10K

S35K

\$25K

BUSINESS

SERVICES

EU visa free passport

Diplomatic Appointment

EU Citizenship

Diamonds

CAPITAL

EXCLUSIVE IMPORTING / DISTRIBUTING OPPORTUNITY

The manufacturer of a unique high-tech, consumer product promoting personal safety, wishes to appoint a selected importer / distributor, conferring country-wide territorial exclusivity. This product has universal appeal to all age groups, moderate and easily affordable unit price, and offers huge marketing potential.

International Patent Pending

All enquines to EXXCORP PTY, LTD (An Australian Company)
Tel + 51 3 9867 2839 Fax + 51 3 9865 5662 Email : ncharap@ocean.com.au

LEGAL NOTICE AVAILABLE THE GOVERNMENT OF ERITREA, MUNICIPALITY OF

ASMARA, REQUEST FOR EXPRESSION OF INTEREST AND STATEMENT OF QUALIFICATION FOR THE DESIGN AND CONSTRUCTION OF THE ADI NEFAS WATER TREAT-MENT PLANT AND TREATED WATER PIPELINE.

The Government of Eritrea, Municipality of Asmara, wishes to become appraised of the interest, capacity, and availability of qualified prospective bidders to contract for the final design and construction of the Adi Nefas Water Treatment Plant (WTP) and treated water pipeline. The project includes final design, equipment procurement, construction, and start-up of a 20,000 cubic meter per day capacity, conventional high-rate filter process, water treatment facility, and approximately 8.4 Asmara water distribution system.

All interested parties will be sent a prequalification package which package that includes pretaminary design documents that define the

Construction of this project is funded by the Arab Bank for Economic Development in Africa (BADEA) and by the State of Entrea

Or Peter McCornick, Natural Resources Consulting Engineers.

office@nrce.com

BUSINESS FOR SALE

MOVING & STORAGE CO. FOR SALE Continental US authority representing a major van line with real estate. A nice adjoining home located on a major highway in north Mississippi. Minimum annual gross sale is over US \$1,000,000.

Financial Services

Financial Investments LEASING OF CASH FUNDS. We less:

cash deposts from you (USS 15 mo.) on a fully bank secured basis without moving your cash or dissolving your term de-posit. If you wish to lease from posit. IF YOU WISH TO LEASE FROM US USS 10 mo. or more for your fully secured financial transactions call UK +44 - (0)403.823561

FLINDING COMMITMENTS and Proof of Chairman visiting Europe. For info and meeting call +49-171-7777-393.

Financial Services

EARN BIG \$ \$ \$

SELL COLLATERAL-BACKED LOANS TO FINANCIAL PROFESSIONALS, BORROWER PAYS INTEREST ONLY

World Phone: (500)367-6000

northcorp@worldnet.ati ne

COLLATERAL PAYS PRINCIPAL TRAINING PROGRAM AVAILABLE

Venture Capital - Commercial Mortgages Innovative Financing - Letters of Credit Monimum S1 Million - Brokers Welcome We Locate Funders For Business & Real Estate Projects R.J.I. INTERNATIONAL Anthony Abraham, ESQ. - Real Estate Enc A. Klein. ESQ.-Attorney/Fiduciary

INTERNATIONAL DEVELOPING *MANAEDIATE & LONLINATED **
Capital available for
ALL business projects!
AUN U.S. \$1 mai/no max. Prc 212-751-0800 / Fax 212-688-4442

httl Business Consulting (717) 387-7777 (U.S. VOICE) Purchased/Discounted/Lines of Credit. Guarantees-LC's-CD's-T-Biff's. Funding of Negotable Benk Instruments Place-ment of Safekeping Recept Invoice Discounting. Fax executive summary 208-726-0132 USA.

GENERAL

Announcements

FINANCIAL GUARANTEES rance / Reinsurance backed guarantees for qualified business projects. Tel 561-391-5580

Serviced Offices

Custodian sales, 24 hr service ZURICH, Switzerland (near amport) Contact in confidence VIBRACON AG

HTC, Providing A Confidential Company And Trust Formation Service - With Bank Accounts - Anonymous And ID Free -Tel +41 32 327 2414

IDC: FOREIGN EXCHANGE / FINANCE

BANK GUARANTEES, U.C. Interest Only Loans Project Finance Fax: CRS +44 1455 851384

Denim Jeans & Denim Jackets Export big bases, small bases boxes AFRICA ASIA, EUROPE, MID-EAST, CENTRAL & SOUTH AMERICA, Ter718-342-2278 Fax 718-342-2258 US

km finished water transmission line to connect to the existing City of

must be completed and submitted no later than January 29, 1999. Successful prequalification applicants will be provided with a bidding required facilities for the project.

For further details, contact either.

Dr. John Scott, Natural Resources Consulting Engineers,
P.O. Box 5260, Asmara, Eritrea Telephone +291 1 120574. Fax +291
1 120629 E-mail: office @nrce.eol punchidown org

131 Lincoln Avenue, Suite 300, Fort Collins, Colorado 80524, USA Telephone +1 970 2241851 Fax +1 970 2241885 E-mail

Inquiries contact Bill Morgan

USA Fax:+601-728-2982 Tel:+601-728-7824

FULL CAPITAL MANAGEMENT Insurance & lax counseling

Tet +41 1 883 1720 Fax +41 1 883 1721

Fax: +41 32 322 2235

for business people, IDC offers the most reteresting exchange rates, no commis-sion. To make an appointment please call +33 (0)1 47 55 74 07 or fax: -33

Import/Export

NOAMEX INC. LARSE GRADER OF USED CLOTHING
For women - men - children
PREMIUM & DOMESTIC QUALITY

Serviced Offices

Paris Area Furnished

AGENCE CHAMPS ELYSEES

Specialists.
Furnished apartments, 3 months or more

or unfurnished residential ereas

Tel: +33 (0)1 42 25 32 25 Fat: +33 (0)1 45 63 37 09

AUTOMOBILES

N.Y OFFICE SPACE Wall Street to Rocketeller Center EVERY BUILDING - EVERY SPACE Timely Professional Service NO FEE: Prime Manhettan Realty 212-268-8043

We run your office Business addresses, furnished offices, meeting facilities, high-tech equipment

Tel +31 20 520 75 03 taly. Tel +39 02467 12283 Switzerland, Tel. +41 1 214 62 62

WORLD-WIDE

BUSINESS CENTRES NETWORK[®]

In over 100 cases worldwide

YOUR OFFICE IN PARIS

is ready when you need it.

Fully functional modern offices & meeting rooms to rent by hour-day-month

Your lactical or permanent base Prestige mailing address. All services B B E **** 91, Fbg Saint Honore, 75008 Paris Tel +33 (0)1 44713636 Fax (0)1 42661560 Web: bbe.fr

U.S.A./New York Office on WALL STREET S89 00/mo. Mad. Phone. Fax. E-Mad Corderence Rooms. Furnished Offices, Receptor Tel 212-943-1111

PREMIERE WALL STREET ADDRESS. Available immedialely Privale offices plus workstations. All services included Maximum one-year commitment. Cali Torrauma Jackson (212):797-1071

YOUR OFFICE IN ROME. Furnished ofkoss and continence rooms. Phone fax mail, full domiciliary service Tel. →396/328031. Fax →396/32803382

FULLY SERVICED ROOMS in the center of ROME Tet +39 06 54220352 Fax 39 06 54220512

PARIS 3rd - MARAIS

Beausitul aparlmeni, bving. 2 bedrooms bathroom, equipped kachen, Redone like new, FF9 000, Tel: +33 (0)1 45 25 90 90

25 YRS OCEANWIDE MOTORS

worldwide supply of lax-free cars AUDI Memades BUNN, Porsche Call Germany

+19-211-4493930 fax 49-211-44 939322

FRED OPERT RACING WORLDWIDE

Jeep99GrandCherokeeLundeds 4 7V8 leather surroof \$35.975 delivered Europe Fax for exact price on any other vehicle Phone1-201-3271111 Fax1-201-3278222

Check our pebsile: www.operi.com

Parls Area Furnished

Escorts & Guides

X.

ALL ABOUT

THE ESCORT SERVICE WITHOUT COMPROMISE

FONDON 0171 581 4888



An exclusive escuri agency, with a range of scriminated lobes and gertlemen is suchal occasions and lastes TELEPHORE: 0171 672 5610

SWITZERLAND-GERMANY BELGUM-LUXEMBOURG-UK ++31-20-427 28 27 Frankfurt-Wiesbaden-Cologne-Bonn-Desseldorf-Munich-Hamburg-Berlin-Brussels-Antwero + Luce TRAVEL SERVICE WORLDWIDE LONDON: (0)171-978 6606 COSMOS Escort Agency - Credit Cards HIGHS OCIETY The Most Prestigious Escort Agency **Executive Service Worldwide**

0171 266 1033/(0)7000 444476 international

******* EUROCONTACT INT'L

N Y.C's Most Expensive Escar Service EBONY (212) 570-1659 Exclusively women of color

PARIS - LONDON +3120-5789-221 / +316-54228-124

ARISTOCATS Escort Service

PARIS

BELGRAVIA ORCHIDS London/Paris escont agency. Cards LONDON +44 (0) 171 589 5237

European JET SET * VIENNA * PARES RIVIERA MUNICH KOLH NEW YORK ROME WILAN DUSSELDORP LONDON Vienna ++43-1-710 60 55 Escor-Service

CHELSEA ESCORT SERVICE

CORPORATE ESCORT AGENCY TOP plamour models for high callbre service Tet UK 0171 736 7881/ 0181 408 2967

SUISSE STOCKHOLM Escort Service. Tel: +39 (0) 335 619 0438 Credit Certs ""ZURICH - GENEVA - BERLIN"" HAMBURG - FRANKFURT - MRAN " CARISMA ESCORT AGENCY " Tet: 0041-848 80 70 77 · Credit Cards

glish beauty, 24 hr private escort service in London. 07091 008 008. Credit cards. ANNA EXOTIC BRUNETTE educated beauty. Loodon/Airports. 24hrs Friendly Escort service 07903 124 866. Cards BARCELONA & MADRID & All Spen

Nine's exclusive. High class service. Tet 629 708 673. All Cards

BLACK BEAUTY ESCORT SERVICE Exclusive Elegant Educated & Friendly London & Healthow. 01812019399 Cards

** C O N C E P T 2 0 0 0 **
EXCLUSIVE ESCORT & Travel Agency
FRANKFURT 069 - 955 20 774 EXCLUSIVE DINNER/MODEL Escort

Service. The best clientale in the World. With you in 1 hr Landon 0171 813 5290 GENEVA PRETTY WOMAN Call 022 / 346 00 89 Escort Agency "LAUSANNE-MONTREUX-BASEL

GENUDIE INDIAN Pholographic Model. Stunning, Chartong and Irresistable Private Escot. Tel: 0370 464718

HIGH LIFE "VIENNA" 24 lub. Most exclusive escort service Vienna +43-1-3675690 al obdi cods JAN BIK HOLLAND ESCORT CLUB. For he and she, Escort service since

MADRED PRESTIGE BARCELONA THE BEST EXCLUSIVE ESCORT SERVICE CREDIT CARDS. Tel: +34-913-863-588

RICHELLE SELECTIVE ESCORT SERVICE LONDON 0956 34 31 67 ALL CARDS

MEW STUNNING & CHARLING PLOND Private Escort Service. London: 0171 594 9977

BAREME AS 24 -AU 13 JAMVIER 1999 Prix Hors TVA en devise locale

GO 3.62 FOO 2.24 SC97. 5.22 SCSP 5.00 UK (zone B) en 4 - TVA 17,5% (floul 5%) GO: 0,5860 FOD": 0,3476 ALLEMAGNE (zone I) DM/I - TVA 16%

Remplace les baremes anterieurs

FRANCE (zone C) en FFA - TVA 20,6%

GO: 0.96 SCSP 1,33 BELGIQUE en FBA - TVA 21% GO: 20.17 SC97: 30.83 SCSP 28.84

MINU: GO: 0.85 SCSP: 1,23

HOLLANDE (zone2) NLG1 - TVA 17.5% AU 11/01/99 GO 1.21 FOD: 0,773 SC97: 1872 SCSP. 1,823 LUXEMBOURG en LUF/I - TVA 15%

ESPAGNE (2000 A) en PTAS/I-TVA 18% **GO**. 79.224 SC97: 98.19 SCSP: 101.55 * Üsage reglemente

VIENNA, AUSTRIA. Tel: 713 - 3374. Are you sad or women? Lonely or de-pressed? Are you despanning or suicidal? If helps to talk about it Phone BEFRIENDERS in lotal confidence Mon-Fn. 8:30 am - 1 pm and every day 6:30 Announcements

FEELING low? - Having problems? SOS HELP crisis-line in English. From 3:PM to 11.PM. Tet. Pans +33 (0)1 47 23 80 80

DIVORCE 1-DAY CERTIFIED Call or Fax (909) 922-3515, 300 S. Highland Spr Ave..Ste 6C #143,Banning, CA 92220 USA e-mail divorce@spryretcom DIVORCE IN 1 DAY, No travel Wote.

Avadable for Consultation on U.S. Legal Matters in London, call (0171) 491-9616. in New York, call (212) 344-7941

plus expenses Absolute discretion Tel: +44 (0)7899 700473 Real Estate

Paris and Suburbs

Real Estate

RENT AUTO DERGI FRANCE: Weekend FF500 - 7 days: FF1500 Tel Paris +33 (0)1 4368 5555. Fax (0)1 4353 9529

Autos Tax Free

Auto Rentals

ATK WORLDWIDE TAX FREE CARS! ATR WORLDWIDE TAX PRICE CARDS Expon nee and used LHD / RHD cars Teminckie 40, 2330 Antwerp Belgium Phone. +32.3 645.50.02. Fax +32.3. 645.71.09 E-mait atl. belgium 6 skynet. be

TRANSCO BELGIUM 25 YEARS WE DELIVER

calavits ax free cars Altred Escho Street 10 CH-8027 Zurch Fax 01/202 76 30 Tol. 01/202 76 10 new TAX-FREE used ALL LEADING MAKES

CARS TO THE WORLD Brand New LHD Vehicles All makes and models competitively priced Transco Vosseschijnstraat 51 2030 Antwerp - Belgium

World's top international beauties New York US Hq:1-212-765-7896 OFFICE ONTL-ESCORTS.COM

EUROCUM IACI MITE
PRANS'ANTWERP'EENEW'ZURICH
RIVIERA'SRUSSELS'LONOON'YIENNA
MEAN'ROME'SI GERMANY & PRASUE
COPENHAGEN'MANICHNEW YORK
ESOOT SANGE VIENIA +43-1-212 0431

ALL EUROPE HEBT'S High SOCIETY Vienna, Paris, Rivera, Munchen, Zunch, Geneva, Franklut International Escont & Travel Service Vierna +43-1-535 41 04 all credit cards

CONNOISSEUR NEW YORK, Escort service teaturing beautifut, charming, sophisticated models. Tel: 212-878-1991 E-mail: info@myogins.com

3 Shouldbarn St. London W1 London Tel: 0171 258 0090

Geneva Escort Agency ++41 79 6377884

51 Beauchamp Place, London SW1 Tel: 0171-584 6513

MELANTROME COTE D'AZUR PARIS ATHENS BRUSSELS GERMANY SPAIN

NBIGAIL. Charming, sophisticated. En-

· ZURICH ·

1967. Tet +31(0)(20 6222 785:420 3627 AU 12/01/1999 FOO: 08.60

MAXE

GO: 17,130 NEW BEAUTIFUL, SWEET Onertal Lady Emplys Dinung & Dancing, Discreet Private esport service 07887 698576

DRIENTAL! FRESH & YOUNG BEAUTY Genune, Eright & Chic. Landon/Airports Escori Service - Nata 0961 922569

Legal Services

Box 377, Surbury, MA 01776 USA. Tet 978/443-8387, Fax: 978/443-0183. ESTABLISHED AMERICAN LAWYERS

EU PASSPORTS/fully renewable \$18,000

for Sale

SAINT LOUIS ISLAND, magnificent 4-room "lott style" apartment. Temace and marvelous view. FF4.8 M. KHS Tet +33 (0)1 4215 0457 Fax (0)1 4230 5376

Switzerland

for Rent

GENEVA, LUXURY FURNISHED apartments. From studios to 4 bedra +41 22 735 6320 Fax +41 22 736 2671

Tel. + 32 3 542 62 40 Fax + 32 3 542 58 97 E-Mail: Transco@club.innet.be

Autos Tax Free

web@h-s.net, HQ LONDON ESCERTS.

WORLDWIDE

Afraid of Getting Burned by Buying Cyber Stocks? Try an Internet Fund

By David Callaway

SAN FRANCISCO - Feel that you've missed the boat on such highflying Internet stocks as Amazon.com Inc. and Yahoo Inc.? Concerned they'll plunge off the face of the earth the

minute you buy? Try an Internet fund. While the gains of the handful of funds that focus on Internet stocks were nothing compared to the dizzying rallies of some of their holdings last year, they were still enough to make a conser-

vative, balanced-fund investor weep. The Internet Fund was up 196 percent in 1998, including 83 percent in the fourth quarter, according to Morningstar Inc. The Munder Net Net Fund was up 98 percent last year, and the WWW Internet Fund was up 70 percent. By contrast, the Standard & Poor's 500 Index, a broad measure of the U.S. stock market, rose 28 percent last year.

more difficult to replicate those re-

turns," said Ryan Jacob, manager of the Internet Fund, which has about \$30 million in assets.

But fund managers are still bullish on

Mr. Jacob said he expected more mergers and acquisitions, such as America Online Inc.'s \$4.2 billion takeover of Netscape Communications Corp., as technology firms jockey for position in the evolving industry. Those mergers could lead to big gains in shares of Internet companies this year.

Lawrence York, manager of the \$7.2 million WWW Internet Fund, said he thought the industry had grown to the point where not all Internet stocks would rise and fall together anymore. He sees rallies moving between different groups of the stocks.

Just as shares of any Internet company that offered retail products, such as the bookseller Amazon.com, soared during the holiday season, Mr. York thinks the

'This Internet thing is real; it's just that no one knows who the real players are and might not for years to come. There's going to be a lot of wounded ducks.'

Inc., which develops codes to identify own can fall as fast as they rise. Internet customers or employees. He also likes companies such as Cisco Systems Inc. and Lucent Technologies Inc., which he says are building the systems that allow the Internet to grow.

"When we started this fund in 1996, we said this is like the days of Henry Ford," Mr. York said. "When he started rolling out Model Ts. people laughed and said he's riding over dirt tracks with holes in them. No one envisioned that they would pave those roads, connect them and build superhighways."

Not everyone is so sure that Internet funds are the best way to make money. "Clearly, in 1999 it will be a little focus will soon shift to other groups. He Fund advisers point out that like any ternet Fund the WWW Internet Fund networking and other types of innov- in the first week of January, which can

for Internet commerce, such as VeriSign shares, Internet funds and the stocks they

As investors learned in the 1980s with biotech funds, the promise of a new technology does not always lead to consistent gains for the companies in that industry and the funds that hold them. These are pedal to the metal, run at

all costs" funds, said Stephen ment Management. The fund, with \$12 Janachewski, principal of Brouwer & million in assets, is based on an index Janachowski, a Tiburon, California, investment adviser. "This Internet thing is real, it's just that no one really knows who the real players are and might not for years to come. There's going to be a lot of fallout, a lot of wounded ducks." Still, the success last year of the In-

largest of the three with \$350 million in operations for Guinness Flight in Pasfund companies.

The Monument Funds group intro-duced a fund called the Monument Induced a fund called the Monnment Internet Fund in November and has raised automaker DaimlerChrysler AG. Walt about \$2 million. The portfolio manager, Alexander Cheung, who compares the Internet to the steam engine of the 1800s. said the fund had risen 36 percent since its inception.

A more diversified fund unveiled last month is the Wired Index Fund, which is managed by the U.S. arm of the British fund manager Guinness Flight Investdesigned by Wired magazine last year that includes what its editors think will be the companies of the "new economy" of the next decade.

its creators believe will lead the emer- will perform better this year than they did gence of a global economy based on last year, the group is off to a raging start

assets, has caught the attention of other adena, California. While the index of 40 stocks includes companies such as Yahoo and America Online, it also has the のでは、「「「「」」」というでは、「「」」というでは、「「」」というでは、「」」というでは、「「」」というでは、「「」」というでは、「「」」というできます。「「」」というできます。「「」」というできます。

Disney Co. and Wal-Mart Stores Inc. "Less than half of the portfolio is in high-tech or communications, Mr. Atkinson said. People are interested in the new economy concept, and the In-

terner stocks are part of that concept. Mr. Atkinson said the top holdings of the fund, which was up 11.6 percent from the time it was introduced in mid-December to the end of the year, include America Online, Nokia Oy, Dell Computer Corp., and Lucent Technologies Inc. He said the fund was taking in about half a million dollars a day

While most of the fund managers are The index focuses on companies that reluctant to predict that Internet stocks likes companies that focus on security fund that focuses on a certain group of and the Munder Net Net Fund, the ation, said Jim Atkinson, head of U.S. only be good for sales of Internet funds.

Fidelity Outpaced Other Big U.S. Equity-Fund Firms in '98

BOSTON — Fidelity Investments was the top performer among the 10 largest U.S. stock-fund managers last year, as Fidelity's \$83 for the first time in five years.

Fidelity's U.S. equity funds rose an average of 26.1 percent on an asset-weighted basis last year, according to Kanon Bloch Carre, an

investment advisory firm. Kanon Bloch bases its rankings on the overall asset-weighted performance of a company's domestic stock funds, meaning that the returns of a firm's bigger funds, such as Magellan, carry more weight than after an ill-timed decision by the those of the smaller ones.

survey was Amvescap PLC, whose average stock fund rose 22.6 percent in 1998. The worst performer was Franklin Resources Inc.'s Franklin ection, Mr. Dougherty said. Instead,

percent.

Nine of Fidelity's biggest funds, including Magellan, Contrafund and Blue Chip Growth, outperformed billion Magellan Fund outpaced the the S&P 500 in 1998, explaining the Standard & Poor's 500-stock Index company's strong performance, said William Dougherty, who heads Bo-

ston-based Kanon Bloch. Mr. Dougherty said, "Fidelity's strength is buying large-company growth stocks, and that segment of the market was the best-performing

The relative performance of Fidelity's funds has shown steady improvement since 1996 when Magellan badly lagged the S&P 500 fund's former manager, Jeff Vinik, Placing second in Kanon Bloch's to buy bonds and raise cash when stocks were soaring.

> Fidelity fund managers no longer try to time changes in market dir

America's fastest-growing companies, he said.

Magellan gained 33.6 percent in 1998, buoyed by investments in Microsoft Corp. and America Online Inc. The \$38.8 billion Contrafund rose 31.5 percent, and the \$19.9 billion Blue Chip Growth Fund advanced 34.8 percent. Even with these strong returns, the average Fi-

cent gain of the S&P 500 in 1998. While growth stocks helped the performance of Boston-based Fidelity's funds, the lagging returns of "value" stocks weighed on Franklin Templeton, Mr. Dougherty said. Among Franklin Templeton's biggest funds, Franklin Mutual Shares and Franklin Mutual Beacon

delity fund still trailed the 28.5 per-

gained less than 3 percent last year. "Value stocks had a very bad year, and that explains why Franklin ection, Mr. Dougherty said. Instead, fared as badly as it did, Mr. The company's top-performing American Funds stock funds gained they are back to focusing on buying Dougherty said. Value stocks trade funds included Aim Summit. up 19.6 percent, Kanon Bloch reported.

panies earnings or are stocks that 33.1 percent; Aim Blue Chip, up are temporarily out of favor with investors.

The Franklin Mutual funds are stream all year, but we're not chan- to Kanon Bloch. ging anything we do," said Larry Sondike. co-manager of the \$8.7 billion Franklin Mutual Shares Portfolio and the \$5.5 billion Franklin

Mutual Beacon Portfolio. Kanon Bloch. Amvescap jumped to was up 16.4 percent. second place from last place among the 10 fund companies in the sur-

erage U.S. stock fund gained just shares in what they believe are at low prices relative to their com
2,27 percent.

America's fastest-growing company

America's fastest-growing company 30.4 percent; and Aim Charter, up

26.9 percent. Vanguard Group, the secondmanaged by Franklin Mutual Ad- biggest U.S. fund company, with visers Inc. of Short Hills, New Jer- almost \$435 billion of assets under sey, which was run until recently by management, finished third last year the stock-picker Michael Price. as the company's average stock "We were swimming against the fund gained 20.7 percent, according

The \$74 billion Vanguard Index 500 Fund rose 28.6 percent, the \$13.6 billion Vanguard U.S. Growth Fund gained 40 percent, the \$11.2 billion Vanguard Primecap London-based Amvescap, which Fund rose 25.4 percent, the \$18.2 owns the Aim and Invesco fund billion Vanguard Windsor Fund groups, showed the most marked rose only 0.81 percent, but the \$31.5 improvement in 1998, according to billion Vanguard Windsor II Fund

cond place from last place among the 10 fund companies in the surterest of fund com

Very briefly:

• The U.S. securities market has lost some appeal since last year, with no panic over the global financial system to provoke a rush into it as a perceived haven. Despite low inflation and forecasts of a slowing U.S. economy, government securities' yields have risen sharply in the past month. Possible reasons include higher stock prices, which might buoy consumer spending, and the lack of clear proof of a slowing economy.

· South Korea will decide as early as Wednesday whether to scrap a plan to levy taxes on capital gains from private mutual-fund companies' stock trading, Joo Young Sup. a Finance Ministry official, said in response to complaints from funds that the tax discriminated against them.

• Morgan Stanley Dean Witter & Co. will open an Australian stockbroking business early this year, the Sydney Morning Herald reported.

• Bond markets of European Union members that stayed out of the euro are likely to be the next targets of investors who have made money by investing in the 11 countries that adopted the single European currency, some analysts say. The average cost of borrowing money for 10 years in the euro zone is 3.87 percent, compared with 4 percent in Denmark, 6 percent in Britain and 6.30 percent in Greece.

• Fund managers based in Britain are overwhelmingly bullish on the euro and its potential impact on European stocks, according to a Merrill Lynch-Gallup survey, with 75 percent of respondents expecting the pound to weaken against the euro over the year. Bloomberg, NYT, Reuters

Advertisement INTERNATIONAL FUNDS January 12, 1999 To receive free daily quotations for your funds subscribe at: e-funds@iht.com Katy Houri: Fax (33-1) 41 43 92 12 or e-mail: funds@iht.com http://www.iht.com/iHT/FUN/funds.html 248.73 164.03 305.95 855.36 500.97 74.07 77.15 34.86 74.20 74.90 74.90 74.90 111.82 74.90 271.28 111.43 BY ANNIA CHART THE 133-4 BIR A SHEAT HE STATE 133-4 BIR A SHEAT HE STATE 135-4 BIR A SHEAT HE STATE 135-5 BIR A SHEAT HE STATE 135-5 BIR A SHEAT HE SHE 939 49 1096,72 10799 16 16147.88 85 117 15279 88 175 839 175 6711 6711 15,320 15,329 288 9065 3|1 4742 |164047 5748572 |1123175 688.55 |7648 |790,8373 m IAM Rossia And CIS Fund \$ 205.15 221 IDF INVESTMENT & DEVELOP Film w IDF Global Fund Inc. \$ 110.85 009 INCOME PART HERS ASSET MACT (MIC) LTO Salle 1901. Chedang First Sank Centre. 1 Dudded 156, HK Tet 68.20 38.89 0106 Fac. 68.20 2009 4991 a Assia Film Core II a Assia Chema Film Sor II b Assia Chema Film Sor II b Assia Chema Film Sor II c Assian Money MAIT Film Sor II c Sor II The Dedoc Incomer Finance 1 12 10 12 217 COLLIERT SECURITIES ASSET TO CASA FORBURING FO BE COMPETED (12-1) 47 97 710 IN CLE E Chrys Fund Competed Asso Competed Chrys Follow Competed Chrys Chrys Follow Chry Follow Chrys Follow Chry Follow Chr 217 COLBERT SECURITIES ASSET MINGT LTD BBL (L) Im Base Alei Cap BBL (L) Iny Telocam & Aledt BBL Rossa Fd Imi Cap BBL Rossa Fd Imi Cap BBL R C Sh Medium Cap \$ 175414 \$ 7577 \$ 122145 MF 361449 \$ 54066 BBL RC SMARGHT Cap 6 Po 8 BBL RC SMARGHT Cap 6 Po 8 BBL RC SMARGHT Cap 9 Po 8 BBL RC SMARGHT FURN Cap 1 Po 8 BBL RC SMARGHT FURN Cap 1 Po 8 BBL RC SMARGHT CAP 1 PO 8 BBL RC S on Soom Investment Fund 5 or The Vestman Frontier Fund 5 Mer PLEMINK FUND MARKACERKERT LOXEMBOURG THE 152 M 101) THE DASIS FUND SK AV at International Equal Fund 5 Mer FUND GROUND SK AV at International Equal Fund 5 Mer FUND GROUND SK AV at International Equal Fund 5 THE STATE OF THE STATE C US Bood Fund 1 7015 20 ABM AMPOINT REST GROWTH FUND - ABM AMPOINT GREET CROWTH FUND - ABM AMPOINT GREET - 4770 - ABM AMPOINT GREEF - 4770 - ABM AMPOINT GREEF - 4770 - ABM AMPOINT GREEF - 5314 - ABM AMPOINT GREEF - 5314 - ABM AMPOINT GREEF - 5314 - ABM AMPOINT GREET - 5318 91 57 305 45 369 09 216 BANQUE FRANÇAISE DE L'ORIENT 1127 70 #2 TFALFORTURE NOT. FURIDS # Closs & fAger Georgh (tol) Closs & (Global Souly) Closs & (Global Bond) # Class D (Ecu Bond) 207-59 128-31 224-91 67-50 132-48 160-27 125-93 125-93 125-93 KTS LTD 17:53 21:07 5:52 5:76 7:9950* 6:63 17:15 11:18 12:27 5:33 - Recommendation (AP 11008 - Recommendation (AP 11008 - RECOMMEND I FAM 2500 | RECOMEND I FAM 2500 | RECOMMEND I F # ROSEGIA IMPERIMENT CO \$ 297 FAC ROMINION IN 1.5 226 FEBEST HAV MANAGEMENT (BDA) LTD FOR 01 447 1955-236 FOR 186 M.D. SASS RE/ENTERPRISE INTLLTD IN Close E1 (30/11) 5 (333 76 | 1000 Street, 15 Page | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 en CT BARRICH HTT. FO MINORS CHELL LTD HIND FSA RECOGNIZED I FAX EL - Australia - Austral 844 CREDIT COMMERCIAL DE FRANCE A Elysees Aloneton 775 17962 78 C Salopa Acticina USD C 5 139 59 Bermider, set 1 Front 2 Foct 1 17 Pro-27 Bermider, set 1 Front 2 Foct 1 17 Pro-27 Ber Coll - Title Cripton 2 Foct 1 17 Pro-27 Ber Coll - Title Cripton 2 Foct 1 17 Pro-27 Ber Coll - Title Cripton 2 Foct 1 17 Pro-27 Ber Coll - Title Cripton 2 Foct 1 17 Pro-27 Ber Coll - Title Cripton 2 Foct 1 17 Pro-27 Ber Coll - Title Cripton 2 Foct 1 17 Pro-27 Ber Coll - Title Cripton 2 Foct 2 | Color | Colo 1.00 1.00 1.00 801 ALBATROS PERFORMANCE FUND Automot Performance 55 19144 14 Automot Performance 55 1914 14 Automot Performance 55 1914 14 Automot Performance 55 1914 14 Albatros Performance 55 1916 14 MALABAS CAP MEANT (Berromain LYD) MARCHON FOR JUNE 1999 MARCHON FO Ing on The State of the State o 0.5360 863.3 KAYJ LTD 34.71 192 1 or ANY Information LTD programmer and Committee and Commit o Chica (Co. 180) End C B O Chilon Natural Rev (1891) 127 CIDE OPPENHEIMER FUNDS C (180) Oppen Anchard (1801) This C Stan Em Albis (1811) This C Stan Em Albis (1812) This C Stan Employ This C Stan Signal Period Calp 2015/1/10/20 5 189 (3) AMERICAN REPORTED WORLDFOLD FDS 1 10/10 PETERS 2 1 10/10 PETERS 3 1 10/10 PETERS 4 10/10 PETERS 5 1 10/10 PETERS 5 1 10/10 PETERS 5 1 10/10 PETERS 5 10/10 PETE AT PRINTS GROOT PRINT A STORY CONTROL REAL PRINTS TO 1 SECTION TO 1 SE 101 LIPPO INVESTMENTS Ter no.: (42)(21) 521-2672/73 Fox no: (42)(21) 521-2677 # Indonesion Growth Fd e Indonesion Growth Fd 19 LLOYD GEORGE BANGAIT 0522: 9 Asson Smother Go Plas 2 LG Aston Smother Cos Fd 10 Aston Smother Cos Fd 10 Shorten Investment Co Pic 10 Hold Smother Cos Fd 10 Shorten Investment Co Pic 11 LG VIOTO BANK (NTT. (RAHAMAN 12 LIVYDS BANK (NTT. (RAHAMAN 13 LIVYDS BANK (NTT. (RAHAMAN 14 LIVYDS BANK (NTT. (RAHAMAN 15 LIVYDS BANK (NTT.) 2 Senson Profession 26 ARTHOLOGO 25 SEFECHROEDER 26 21120 Feb 011-5 WW 722-222 4 Charles General Control 25 Arthologometric 25 1684 1881년 1.369 1832 1.951 11.170 1.141 5.591 1.266 1.465 1.014 APP disattas capital manacement LTD the Grad's Societating \$1007 Ma. Alter Grad's Societating \$1007 Ma. Alter Grad's Feb. shops PTC Appendings Ed. \$1,710 Vb. The Deciment Additional \$1,710 Vb. The Deciment Additional \$1,800 Vb. The Songwey read \$1,800 Vb. The Songwey re

լը-КIJ

ro-dy

China Moves to Curb **Futures Exchanges**

Computed in Our Staff From Disputches

a crackdown on its unruly commod-small traders by colluding with big ity exchanges Tuesday, moving to state trading firms to set prices. close some and overhaul others in an effort to curb what are seen as widespread abuses.

State media said commodity trading would be consolidated in ex- trading came as Alan Greenspan, the changes in Shanghai, Zhengzhou chairman of the U.S. Federal Reand Dalian. Eight other commodity exchanges are to be turned into se- talks with Prime Minister Zhu curities brokerages that will be allowed to trade commodities for clients but not for themselves — ending praised China's policy of keeping its a practice that has led to complaints currency stable. of price manipulation. All but 12 of the 35 types of futures contracts that are now traded will be eliminated, according to the Futures Daily. Exchanges, which are owned by

China Winemakers Facing a Squeeze

Agence Frunce-Presse

BEDING - One-third of China's 600 wine growers have gone bankrupt in the past two years because of a surplus of wine and strong competition, the official Xinhua press agency said Tuesday.

Wine production boomed from 1996 to the start of 1998 as makers of alcohol and soft drinks switched to wine-growing.

This resulted in wine of "inferior quality," but "these companies have mostly been forced out of busi-

ness," Xinhua said. Chinese wine production almost doubled from 1996 to 1997, and China imported 11.17 million liters (3.1 million gallons) of wine in 1997, surging from just 372,000 liters the vear before, according to data pub-

Lished in October. Although Chinese people are drinking increasing quantities of red wine, per-capita annual consump-tion remains low, at less than 0.3 ancial institutions or forcing them to declare bankruptcy, the Financial

SHANGHAI—China announced cused of corruption and of abusing

The exchanges trade grain, oil, metals and other products for private clients and state firms.

The move to rein in commodity serve Board, arrived in China for Rongji. The official Xinhua news agency said Mr. Greenspan had

"Greenspan expressed admiraover China's economic achievements and highly evaluated China's contribution to the Asian and the world economy by keeping its currency exchange rate stable," the state-run agency said.

Xinhua said Mr. Greenspan also had "outlined the economic and financial development in the United States and suggested that the two countries should reinforce their cooperation in the financial sector."

Mr. Greenspan was also scheduled to meet with his counterpart, Dai Xianglong, head of the People's Bank of China, who urged Tuesday that the government do more to shore up the shaky Chinese banking system.

Under central planning, the government forced state-run banks to lend to state industries, many of which were inefficient and unprofitable. Western analysts estimate that about 20 percent of all loans are not being paid, making the state banks technically insolvent.

In a report in the Financial News, the official newspaper of the People's Bank, Mr. Dai called for increasing banks' capital and converting company debt to stock to blunt the impact of the bad loans.

Mr. Dai also recommended merging or closing down inefficient fin-

Seoul Aims To Weaken Rising Won

SEOUL - South Korea's central bank said Tuesday it planned to buy dollars to try to pull down the won, which is at a 14-month high.

The won has gained 13.4 percent against the dollar in the past three months, making South Korea's ships, autos, computer chips and electronics less competitive internationally. The won has recovered from about 1.700 to the dollar at the height of South Korea's economic crisis. The dollar finished Tuesday at 1,173.50 won, up from 1,173.00 won Monday.

The bank can buy dollars to stop the won's appreciation, said Park Cheul, an assistant governor of the Bank of Korea. "I don't care what the exchange rate is. I want stability in the won." Major exporters cheered the planned purchase.

"It's the right move at the right time," said N. M. Kim, executive vice president for international business at Hyundai Motor Co., the nation's biggest automaker. 'The weakened won is choking exporters, for whom exchange raies can determine profits or losses."

He said the dollar must rise to at least 1,300 won for Hyundai to make any profit on its auto exports.

International Monetary Fund officials said in an interview with a South Korean television station last week that the IMF supported the central bank's dollar purchases if they were aimed at "smoothing out sudden fluctuations of the won.

John Dodsworth, the IMF's senior representative in South Korea, declined to comment on the latest developments, saying the issue was too "marketsensitive" to discuss.

Murdoch: An Asia Optimist But a Skeptic on Internet

SINGAPORE — The Australian media mogul Rupert Murdoch said Tuesday he was still 'very, very bullish' about prospects in Asia

despite the economic slowdown in the region but was skeptical about the potential of the Internet.

"Currently we all know there are difficulties in different parts of Asia, but I'll be very optimistic that most of those countries have seen the worst of their times and are now recovering," he said at a forum here on

media prospects in the 21st century. Mr. Murdoch, 67, the chief executive of News Corp., also said the company would provide news along with entertainment and sports to Chinese audiences. He was critical of what he called other news organizations' negative coverage of China, including events such as the

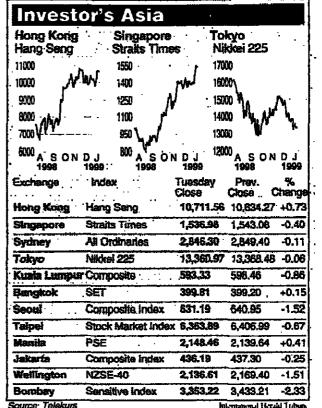
activists in Beijing. President Jiang Zemin met Mr. Murdoch in Beijing last month and praised his efforts at 'presenting China objectively."

Mr. Murdoch stirred controversy last year when his HarperCollins publishing house turned down a book by the former Hong Kong Governor Chris Patten for which it had already paid an advance. The book makes several criticisms of the Chinese government.

Regarding the Internet, Mr. Murdoch described himself as a skeptic.
"I don't think other media companies are doing much more in the Internet than we are," he said. "We

don't see any need to hurry this. "I think the Internet, which will be a fantastic service for the public all over the world, will actually destroy more businesses than it will create, in the sense that it will actually wipe out 1989 massacre of pro-democracy the middlemen.

On behalf of the Board of Directors



Very briefly:

•The Financial Sector Restructuring Authority of Thailand signed deals with seven groups of bidders to sell about 156 billion baht (\$4.15 billion) of financial and commercial assets left by 56 defunct finance companies. Prices ranged from 22 percent of nominal value to 39 percent.

· Hartford Life International Ltd. of the United States will pay \$100 million for a 60 percent stake in Kumho Life Insurance Co. of South Korea. Kumho Group, in an effort to cut its debt load, also is seeking foreign investors to buy stakes in other affiliates, including Kumho Tire Co. and Asiana Airlines Co.

 Infosys Technologies Ltd. and Satyam Computer Services Ltd., Indian soft-ware makers, said third-quarter profits jumped on strong demand from the United States and Europe. Infosys' profit before extraordinary items rose to 377 million rupees (\$8.9 million) from 182 million rupees a year earlier; Satyam's rose to 198 million rupees from 103 million rupees.

• Mitsubishi Motors Corp. will provide PSA Peugeot Citroen SA of France with its direct-injection gasoline-engine tech-

FIDELITY FUNDS Société d'Investissement à Capital Variable

Kansallis House - Place de l'Etoile B.P. 2174, L-1021 Luxembourg R.C. Luxembourg B 34036

NOTICE TO BEARER SHAREHOLDERS IN THE

- FIDELITY PORTFOLIO SELECTOR GROWTH FUND - FIDELITY PORTFOLIO SELECTOR MODERATE GROWTH FUND
- EURO CASH FUND

holders are hereby informed that as of January. 4, 1999 the following funds have changed their names: Fidelity Funds - Fidelity Portfolio Selector DM Growth Fund has been renamed to Fidelity Funds - Fidelity

Fidelity Funds - Fidelity Portfolio Selector DM Moderate Growth Fund has been renamed to Fidelity Funds -

Fidelity Portfolio Selector Moderate Growth Fund. 3. Fidelity Funds - Capital Builder DM Cash Fund has been renamed to Fidelity Funds - Euro Cash Fund.

Fidelity is recalling all existing bearer share certificates for re-stamping in order to reflect the name change and to ensure good delivery for transactions over the Luxembourg Stock Exchange

Investments"

Herald Eribune PORTS

World Roundup

Rugby Troubles

. **RUGBY** England faces a penalty ranging from a fine to expulsion from international rugby after world chiefs found the country guilty of failing to support them properly in a key struggle over power in the game.

The International Rugby Board said Tuesday that its disciplinary committee, made up of officials from New Zealand, Ireland, South Africa and Japan, had found the English Rugby Football Union responsible for conduct "prejudicial to the interests of the governing body." The rugby board is unhappy because it feels it did not receive enough support from the Rugby Football Union in its reponse to a recent appeal by leading English clubs to the European Commission about who controls the game.

The English clubs are questioning the IRB's control of the availability of players, broadcasting rights and control of tournaments. If they win their action, which could take several years, the whole running of world rugby may have to

change dramatically.

The rugby board will inform the Rugby Football Union of the penalty it intends to impose on England on Thursday.

UEFA Officials Say No'

SOCCER UEFA's top officials on Tuesday rejected the plan of FIFA's president, Sepp Blatter, to stage the World Cup every two years, saying it would have "negative consequences."

European soccer body's presidential board "not only objected to the idea but also condemned the way the project was presented, without prior consultation of any of the relevant bodies," UEFA said in a statement. UEFA and its president, Lennart Johansson, have been critical of Blatter's plan since he suggested it last weekend.

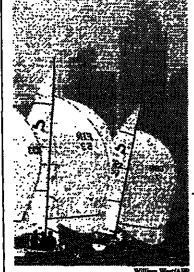
• Monaco's coach, Jean Tigana, has resigned because of the 1997 French champions' poor results this season. (Reuters) • The Brazilian club Cruzeiro

has sold the star striker Fabio Jr. to Roma of Italy's first division for \$15 million, the Brazilian club an-

• Greek soccer games will resume this weekend after league organizers temporarily suspended a two-week strike staged because of a dispute with the government over lottery revenue.

An Insulted Tyson

BOXING In an interview with Playboy magazine, the boxer Mike Tyson criticizes Wallace Matthews of the New York Post, saying Mathews called him a "rapist recluse." "I'm not a recluse," Tyson



WINDY --- Boats heading toward Melbourne's skyline in World Sailing Championships.

dometa

29 Memorable

36 Ancient

38 Football

36 Kind of def

33 Potters' supplie

on the beach

37 Dichn't just shrug

Hall-of-Famer

39 See-diving area

41 Minotaur's land

44 Like this puzzle

STUNG

HAILSTON

Solution to Puzzie of Jan. 12

OLDDE

ALLILIINISI

DETAIL STRESSED

all - witten passed, am - with granters.

40 Topple from

ACROSS

1 Sulu portrayer in "Star Trek"

14 Out of whack

45 Where Quit is

17 October and

18 Co-lighter

29 Ogee shape

21 Good time

22 A whole lot

ze Hoped-for

25 Warning at St.

16 Prefix with -gon

6 Prego

16 Fakery

Games to Stay in Utah **Despite Bribery Scandal**

IOC Confirms Site After Funding Doubts Arise

GENEVA — The International Olympic Committee confirmed Tuesday that the 2002 Winter Games would remain in Salt Lake City despite a snowballing bribery scandal. Local organizers in Salt Lake City also said that the Games would stay in Utab.

The statements took place after Marc Hodler, the International Olympic Committee's senior member and head of the oversight panel for the 2002 Games, said they could be moved or canceled if Salt Lake could not meet its \$1.45 billion budget. Salt Lake City officials have admitted

paying for the housing, travel and edu-cation of relatives of IOC members as well as giving expensive gifts and free health care. But a spokeswoman in Geneva, Michele Verdier, said Tuesday that "The IOC has made clear the Games will not be withdrawn from Salt Lake City.

Of Hodler, she said: "He was not speaking officially for the IOC."

Hodler said Tuesday that a \$350 million shortfall would make it difficult for Salt Lake City to stage the Games. "The mood in Salt Lake City has changed and the problem of financing is still there,' he said in a telephone interview. "The organizing committee still has to find \$350 million. I don't know if they'll find Verdier said there were "no financial problems presently."

The Salt Lake Organizing Committee, or SLOC, has admitted that it still needs to raise \$350 million, but Olympic officials there focused on the money already in hand.

"Salt Lake has already raised 75 percent of the revenues we need to put on the games, so we're well on our way," Robert Garff, chairman of the Salt Lake Organizing Committee, said. He added that if the city should fall short in raising money, "we may have to scale back the games to fit the old-time Olympic pro-

He said venues could be downsized, cultural programs cut and more volunteers recruited. "We are not panick-

By Jere Longman

New York Times Service

NEW YORK -- Relatives of Inter-

national Olympic Committee members

from Ecuador and Finland were em-

ployed by the Salt Lake City bid com-

mittee while it pursued the 2002 Winter

Games, Olympic officials said.
A daughter of Agustin Carlos Ar-

royo, an IOC member from Ecuador.

and the husband of Pirjo Haggman, an

IOC member from Finland, worked

briefly for the bid committee, Olympic

officials said Monday, speaking on the

These revelations were the latest in a

growing scandal involving cash pay-

ments, tuition aid and lavish gifts in

which vote-buying by Salt Lake City

officials has been alleged by Marc Hodler, a senior IOC member from

Arroyo's daughter worked for a

to be lacking, an Olympic official said.

She was then hired to answer phones for

the Salt Lake City bid committee for a

month and was eventually given tuition

aid to attend school in Texas for about six

months and may have received living

expenses, the Olympic official said. The

official said that the daughter was hired

without the urging or apparently the

Reached by telephone Monday in

Guayaquil, Ecuador, Arroyo said that

CROSSWORD

18 Broad bean

23 Scrap for Spot

24 Bradbury as an

25 Line of cliffs

28 Misanthrope

29 Buggy bower

so Composer Nec

31 All worked up

32 Punished,

schooli

34 Pesto, e.g.

37 Restricted air

41 For the most

43 in the open

44 1939 movie

47 Have an effect

48 Rock-and-roll

40 Colombian

50 City between

51 Potting soil

92 Different

63 First place

56 G.P.'s grp.

\$7 Invoice amount

Boston and

Money

Dioneer Freed

canine

46 Call on

knowledge of her father.

46 Not legally

binding

51 Brenda who

64 Cassini of

fashion

sa Foolhardy

61 Speed unit

ez Distribe

58 When origam flourished?

50 All, to start with

est Red Sea nation

DOWN

1 Unexciting

2 "Famous" name

3 It's sometimes

4 Extreme suff

s Lines on a

s M-1, for one

7 Uzbekistan's

a Cowboy's date

10 Flintstone tone?

11 Scratch pad?

12 Bar on a car

13 Giant great

• Set free

SO Lo-cai

condition of anonymity.

Switzerland

Olympic Scandal Spreads

To Relatives of IOC Aides

Hodler, 80, started the current storm when he said last month that agents for IOC members offered candidate cities blocs of votes in return for financial rewards. After his comments and reports of inducements allegedly offered to some IOC members, the president of the Salt Lake Organizing Committee and his deputy resigned.

At the same time, the IOC has launched its own internal investigation on the corruption charges, and Verdier said the results of the inquiry would be made public after an executive board neeting, on Jan. 24 or Jan 25.

The scandal continued taking its toll Tuesday, as the SLOC announced it would postpone the unveiling of its official mascot "until the investigations into former bid-committee practices are

John Krimsky, the deputy secretary general and managing director of business affairs for the U.S. Olympic Committee, said Hodler's remarks "certainly make it more difficult" to satisfy sponsors. But he said all of the television contracts for Salt Lake were complete and sponsors were prepared to ride out the scandal.

Krimsky said he expected to secure within days the \$5 million payment that US West has said it would withhold pending a more complete answer from the SLOC to its questions about the

But Coca-Cola Co., the big spender of Olympic sponsors, said the bribery scandal could threaten the corporation's future Olympic funding. "If not handled properly, this could have significant negative impact on our involvement with the Games as well as that of other sponsors," said a Coca-Cola Olympic marketing spokesman.

In another development, Rene Paquet, who headed Quebec's bid committee, which lost to Salt Lake City. said his city might sue the IOC for compensation because rules of a contract signed with the organization were broken. He also said the IOC's president, Juan Antonio Samaranch, should (AP, Reuters)

his stepdaughter, Nancy Rignault, who

is an American citizen, had worked

briefly in Salt Lake City on some type of

restoration project before returning to

Texas, but that he was positive she had

not worked for the bid committee. He

later said that he was not sure and that he

would check on the matter, "because I

dustrialist who has been an IOC mem-

ber since 1968, also said that he may

have received a cash payment from the

bid committee, but that it would have

been as reimbursement for travel ex-

penses he and his wife, Raquel, incurred

when they visited Salt Lake City before

the June 1995 vote in which it was

It is customary for Olympic bid cities

to provide first-class airfare for IOC

members and a guest when they make

three-day inspection visits. Arroyo said

committee, an Olympic official said.

O New York Times/Edited by Will Shortz.

Track the performance of over 2,400

site on the World Wide Web.

*••• http://www.iht.com

international funds, every day, on the IHT

Arroyo, a 75-year-old lawyer and in-

have nothing to hide."

awarded the 2002 Games.

Michael Jordan, who was viewed as an ambassador for the sport.

Highlights Of Jordan's Big Games

The Associated Press Following are some of Michael Jordan's most memorable hig-game

performances: • The freshman's 1982 corner jumper that beat Georgetown in the NCAA Fi-nals and gave North Carolina's Dean Smith his first national title.

The NBA playoff-record 63-print performance that still holds, against Larry Bird and the Celtics in 1986. "God came to the game tonight and played under the name of Michael Jordan.

Bird said. The Bulls lost, 135-131.

The Shor. With the Bulls down by one point in the deciding fifth game of the opening-round series against the Cavaliers in 1989, Jordan went high over Cleveland's Craig Ehlo to hit a jumper The shrug after raining down 3-pointers against Portland in the opener of the 1992 finals. He hit a playoff-record, six 3s in one half, against the Blazers.

• The Shot II, over Gerald Wilkens.

beating Cleveland again in the Eastern Conference semifinals in 1993.

• The game-winning jumper over Bryon Russell in the opener of the 1997 NBA Finals against Utah.

· His game-winning 3-pointer and 38-point effort against the Jazz in Game 5 when he was so sick and dehydrated he was doubled over at times as he walked off the floor.

 His steal and game-winning jumper to beat the Jazz in the closing seconds of Game 6, giving the Bulls their sixth title

JORDAN: Retirement Appears Likely for Bulls' Superstar

Continued from Page 1

not held any contract discussions with the Bulls, and Jordan had not been working out regularly. In addition, an editor of a new book by Jordan, "For the Love of the Game: My Own Story," acknowledged that the publisher was counting on Jordan's retirement when it decided to publish the book last fall, and had received positive signals to that effect from Jordan.

His failure to make a decision had delayed personnel decisions for the Bulls, who won six league titles with Jordan as their leader and top performer. The Bulls have only four players under contract, and most of the components from Chicago's championship team were in limbo because Jordan was obviously the team's priority.

He would have secured a contract worth about \$37 million for the shortened season that is scheduled to begin Feb. 5, pro-rated over 50 games instead of the usual 82. Without Jordan's salary, Bulls officials will have more money to sign two of their prominent free agents, Scottie Pippen and Dennis Rodman. But, conversely, Jordan's absence may be a factor in whet want to return to the Bulls.

Jordan and Pippen have been an All-Star tandem throughout the Bulls' championship run — Jordan has called Pippen his "little brother" - and Pippen may opt to play elsewhere if he concludes that the Bulls' glory days will end when Jordan's career does.

SCOREBOARD

Jordan's history of changing direction in his professional life leaves open the possibility that he may return — if not this season, then possibly the next season. He retired for the 1993-94 season and embarked on a professional baseball career, saying he was finished with basketball. But he ended a floundering career in baseball's minor leagues in the spring of 1995 to return to basketball for the latter part of the sea-

Jordan led the league in scoring 10

times, the most ever. His 31.5 points a game over his career is the highest reg-ular-season average in NBA history, higher than Wilt Chamberlain's 30.1 average. He was the league's most value able player five times, and the All-Star Game MVP three times. Carrying the league into the post-Ma-

gic Johnson and Larry Bird era with aplomb, his incredible accomplishments on the floor are paralleled only by his commercial success off it. Since the Bulls selected him with the

third pick in the 1984 draft out of the University of North Carolina, he has graduated from amazing athlete to corporate pitchman to world champion and, finally, to cultural icon.

Last June, Fortune magazine estimated Jordan's career financial contributions to the NBA as \$10 billion.

Beyond the statistics, Jordan became known for his drive and perseverance, and a fiery competitiveness. That was best exemplified when he shook off a viral infection in Game 5 of the 1997

finals against Utah, leading the Bulls to a crucial victory even as he was suffering from dehydration and so weak that he needed to lean on teammates for

support.
He also became the sport's biggest draw, selling out arenas around the league as fans turned out to witness his electrifying array of soaring dunks and drives to the basket. A bronze statue outside the United Center commemrates Jordan and his contribution to the

Except for participating in one or two early negotiating sessions, Jordan was not a presence in the labor talks that culminated with last week's agreement. He has instead been seen indulging his passion — golf — in places like the Bahamas, and Jordan's Bulls teammates acknowledge that he had not been consistently working out and getting in prime physical shape — a prerequisite for Jordan in every off season.

Jordan would be leaving the game on the highest note possible.

He led the Bulls to their third consecutive championship last June 16, carrying Chicago to its sixth title in eight seasons with a dramatic 40-second seover the Jazz.

But his retirement would be the linchoin decision in the disassembling of the Bulls. The first departure was the coach, Phil Jackson, who left the franchise after the Bulls won the title in June, saying he would take an extended sabbatical from the game before returning.

couple of weeks for the Utah Department tickets might have been \$5,000, but that NHL STANDINGS of Economic Development as a comhe was not certain. He said it was his mercial artist, but her skills were found habit to buy his own tickets when trav-

that the total cost of the two first-class ICE HOCKEY eling and then to be reimbursed. "That's the only thing that could DIVISION L T Pls GF 9 10 52 120 12 5 49 116 have been given to me in cash," he said,

adding that he had received nothing else from Salt Lake City officials other than customary hotel accommodations. meals and small gifts like a watch and a Also during the bid process, Hagg-man's husband was hired to do an en-#EAST DIVISION W L T Pts
18 16 7 43
14 14 10 38
15 20 3 33
9 28 3 21 vironmental study for the Salt Lake City

Mendred 1 1—3
First Period: M-Dowes 3 (Brunet, Hogland)
Second Period: S.L.-Dembirs 21 (Persson) 3,
M-Corson 8 (Reachi, Rodinsky) (pp). Tains
Period: M-Reachi 8 (Rodinsky, Vianov) (er).
Shots en gent S.L. 5-10-8—23. M- 11-7-7—25. Godies: S.L.-McLennon. M- Hackert
R.Y. Islanders 6 1 2—3
Westkinders 1 2 3—4
Westkinders 1 2 3—4 Reshington 127 First Period: W-Johansson 7 (Jane Priorito (pp), Second Period: New York, Raichel 9 (Palify, Jonsson) (pp), 3. W-Gonchor 6 Lieneu) 4. W-, Engles 2 (Hunter, Berube) Third Period: W-Gonchor 7 (Nikolishin), 6. New York, Harlock 2 (Lapointe, Lawrence) 7, New York, Donate

Ottowa 1 1 2-4
New Joysey 1 1 8-2
Pint Period: D-Yoshin 18 (Redden) 2,
N.J.-, Storifficano 6 (Monteon, Pedeson)
Second Period: D-Johansson 16 (Praspal,
Hosse) 4 N. (Redden) INTERNATIONAL FUNDS LISTING Hossa 4 (Bonk, Traverse) Shels on good: O-Hossa 4 (Bonk, Traverse) Shels on good: O-

(Desjardins, Bring:Amour) (pp).3, P-LeClair 24 (Lindros) (pp), Second Period: P-Jones 10 (McGillis, LeClair) 5, P-LeClair 25 (Lindros, Brind'Amour) (pp). Teint Period: P-Langkow 5 (Therien, Desjardins) 7, P-Forbes 9 (Desjardins, Langkow) 8, P-Dalgle 3 (Vopat, Greig) Starts en goek Nastiville 12-

5-7—24.
Volcour, Motion, P-run.
Berlied
Phoesix
A First Period: None, Secund Period: None, Third Period: P-Droke 7 (Roenick, Numuninen) Shats on goal: B-2-14-7—23. P-27.
Geoffes: B-Hosek. P-(pp). Second Period: S.J.-Musphy 17 (Marieau, Lowry) Third Period: S.J.-Lowry 4

BASKETBALL

U.S. COLLEGE SCORES

St. Francis, N.Y. 74, Long Island U. 68 Coll. of Charleston E1, Furman 68 Georgia Southern 75, The Clindel 51 Richmond 76, James Madison 69, OT

TOP 25 No. 12 Duter (13-4) def. Water Forest 74-59. No. 18 Peries II. (13-5) def. Carthol Fiz. 95-59. No. 20 Peries II. (18-6) def. Michigan St. 90-66. No. 22 Virginia (18-6) def. N.C. State 60-46. THE AP WOMEN'S TOP 25

piece votes in parentheses, records through Jan. 10, total points besed on 25

945 946 906 861 790 719 711 684 647 555 552 1 1 6-1 3. Purdue (2) 7. North Co.

CRICKET NEW ZEALAND YS. HEW ZEALAND

SDAY IN NAPIER, NEW ZEALAND and: 213 in 49.3 overs. ndia: 214-8 in 49.5 tyrers, India won by two wickels, Series fied 1-1, BOLAND VS. WHAT IMPIRE ESDAY IN PAARL SOUTH AF

nd: 135 and 123-4 GOLF RYPER COP David Duvol 762.500

West Indies: 220 and 307

1. David Ouvol 742.500 2. Mark Officam 737.500 3. Jim Furyk \$15.500 4. Tiger Woods 506.875 5. Sleve Strictor 112.500 6. Davis Lave III 407.500 7. Fred Couples 367.500 9. Phil Mickelson 331.250

... r.cu renk 305,000 11. Lee Janzen 295,000 12. heets | Payne Stewart 292,500

Derren Clerke, N. Johnson 235.090.00 Miguel Angel Jimenez, Spain 179,510.00 Sven Struver, Germany 150,525.00 5. Lee Westwood, England 140,007.57 6. Robert Korisson, Sweden 139,030.00 7. Andrew Collect, Scotland 114,566.00 12. Alex Celka. Germany 70,221,67 Sem Terrence, Scattend 67,487.50 Costantine Recce, Hely 63,631.11

> SKIING WORLD CUP

ma Maler, Austria, 2:12.66

4. Fredrik Myberg, Sweden, 2:13.51 5. Andreas Schifferer, Austria, 2:13.87 6. Michael Von Grunnigen, Switz, 2:13.96 7. Marco Buechel, Liechtenstein, 2:14.05 9. Stephan Ebertaries, Austria, 2:14.19
9. Stephan Ebertaries, Austria, 2:14.21
10. Poul Accola, Switzerland, 2:14.52

Gruenigen. 323 points Z. meura, 343, 34 Aamoot, 274; 4. Christian Maryer, Austria, 261; 5. Stephon Eberharter, Austria, 260; 6. Partick Holzer, H., 254; 7. Ruich, 246; 8. Harts Knauss, OVERALL (after 19 sweets): 1. Molec 111: 2. Aamod; 683: 3. Eberharier, 593: 4. Lasse Kius. Norway, 592: 5. Mayer, 553: 6.

Knowss, 454: 7. Von Gruenjoer, 431: 8. Roich TRANSITIONS

BASEBALL MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE Agreed to terms with RHP Pot COUR ON 1-year contract. Proces.

M.Y. YANKERS—Agreed to terms with RHP

Don Naulty on a one-year contract.

CAKLAND—Agreed to terms with RHP

Doug Jones on 1-year contract.

TAMPA BAY—Named Doug Will area scout-

ing supervisor.
TEXAS—Agreed to 2-year extension of their player development contract with Oldshomo of PCL. Named Dick McLaughlin minor-league roving and beservming instructor. Jrn Murphy coach with Savannah, SAL and Carlos Subero coach with Rangers, GC.

NATIONAL LEAGUE ATLANTA Announced i Agreed to terms with RHP Matt -Agreed to terms with OF

Jeff Tabako, RHP Marc Wilkins, and Mike Wilkins and I-year controcts.

RATIONAL FOOTBALL LAGUE GREEN BAY—Named Ray Rhades consenses GTY—Announced resignals Martis Schoolshabelmanned resignals.

Agriy Schattenheimer, coach PHILADELPHIA Named Andy HOCKTY NATIONAL HOCKEY LE CALGARY—Receiled F Rocks from Soint John, AHL

MONTREAL—Assigned ICIGN AHLL .

COLLEGE EASTERN KENTUCKY—Annox Charles Thomas is giving up bos couse of chronic back injury.

Atletico's El Presidente Ensnared in New Drama Gil in Hospital but May Soon Return to Jail

By Rob Hughes
nermational Herald Tribune

ONDON - Good sports never kick a man when he is down, but maybe an exception ought to be made. Jesus Gil is the president of Atletico Madrid, who hires and fires without mercy or rationality. Gil is in a Spanish hospital with mild heart trouble. When he is released from the cardiac ward, the likelihood is that he will go back to jail before his lawyer bails him out long-term.

One must not prejudge El Presidente. not in his current case at any rate. But

EUROPEAN SOCCER

Judge Santiago Torres thought there was evidence enough that Gil has been defrauding the town hall of Marbella to finance his soccer mania - and the judge must have known the soap opera antics Gil and his followers would conrive once he was locked up last Friday on alleged embezziement charges.

Indeed, the pantomime preempted the imprisonment. Gil was transported to Alhaurin de la Torre jail in Malaga Province by police van, but theatrically ordered his white Rolls-Royce, his chariot of office as mayor of Marbella, to trail the van every inch of the way.

At the gates, he told waiting reporters: "Everything is fine, and I am relaxed. I am going to jail. This way the lynching campaign against me is

The enemies of Gil are many. There is Josep Lluis Nunez, president of Barcelona's soccer team, who was baying for Gil s scalp from the soccer authorities after Gil publicly accused Nunez of .
"buying off" referees.

There are 22 coaches Gil has diswissed, some more than once, over 11 ers at Atletico Madrid. There is the rival club president whom he physically assaulted after a match, and the relatives of 58 people killed when a building constructed by Gil's company col-lapsed, and he was jailed for criminal

Cruyff and Pele Top Poll on the Century

almgs

The Associated Press

ROTENBURG, Germany -Dutchman Johan Cruyff was voted Europe's top soccer player of the century and Pele took top honors among South Americans in a poll of soccer experts and others.

The poll was conducted by the International Federation for Football History and Statistics, an organization of experts, historians and trade journalists worldwide.

Cruyff edged Franz Beckenbauer, the German whom he faced in the 1974 World Cup, by 44 votes, 753 to 709. The Argentine-born Alfredo di Stefano, who also played for Spain, was third with 708.

Pele, a Brazilian, had 220 votes and easily outdistanced Diego Maradona of Argentina, who had 193. George Weah of Liberia was voted Africa's top player. Burn Kun Cha of South Korea, Wynton Rufer of New Zealand and Hugo Sanchez of Mexico came in first for Asia, Oceania and the Concacaf zone.

negligence more than 30 years ago.
For every foe, there is a friend, and for every friend a fanatic. On Sunday, while Gil was a captive viewer of the prison's television, his club dramatically opened the gates to Vicente Calderon stadium in Madrid and spectators were admitted free, and while Atletico's players exploited Extremadura's penalty box to score five goals, the fans were whipped up to an orchestrated "The Presidente Is Innocent' campaign.

The Vicente Calderon stadium is a starkly cavernous bowl. It echoed Sunday to the rallying cry of Gil's vice president, Lazaro Albarracin, who, before Atletico's players — there shirts bear the name Marbella — came out, exhorted the 50,000: "We want to show our friendship, solidarity and support for an honest man.'

The giant screen lit up the words "Freedom for Jesus Gil." Gil's son dismissed the charge that 450 million pesetas (\$3.1 million) of Marbella's funds had been siphoned off.

"My father," said Miguel Angel Gil, may have overstepped the mark some-times in what he said, but he is no

Some of Gil's supporters moved in on the Madrid headquarters of the Spanish soccer federation, smashing a few windows and daubing radical slogans on the building. It was harmless compared to the execution outside Gate 6 of the Vicente Calderon stadium a month ago, where a thug of the so-called ultra Ar-letico faction "Bastion" stabbed a Real

Sociedad fan through the heart. Typically, in Jesus Gil's first interview after the murder, he said: "It was outside the stadium, nothing to do with

I thought then of the unthinking, un-caring manner with which Gil insults even his own. Three years ago, displeased by the team's poor form, he picked on Adolfo Valencia, the tall Colombian his money had bought.
"He should unload boxes of fish at

the market," Gil scoffed. "I'll machine-gun the entire team and as for the black man," he said of Valencia, "I've had enough of him. I'll cut off his head and paint him white."

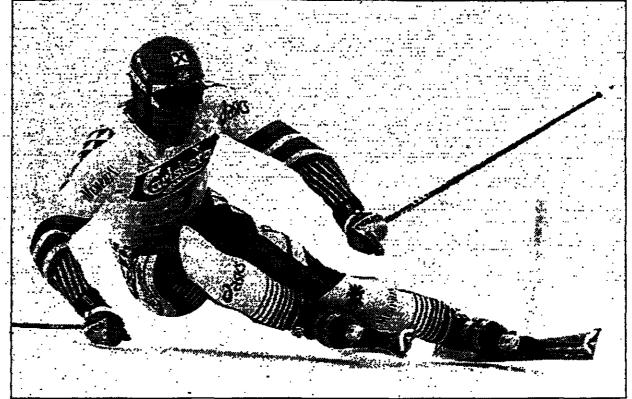
As El Presidente once also said, but of his Mexican striker Hugo Sanchez: "The best thing he can do is get out of Spain. He's bad news, worse than a piranha in a bidet."

The same president gave all the players solid gold watches when their triumphs pleased him. He offered each a Rolls-Royce like the one he uses in his ceremonial duties. And when the Spanish federation or UEFA fined him, he settled the debt like broshing off a hair

off his lapel. Gil's generosity has bought Atletico riches it could never otherwise dream of. He has lured a collection of world talents, coaches as well as performers. The team has defeated the powers of Real Madrid and Barcelona, and currently, Madrid's "second" team is ahead of the

first in the Primera League. No one can say how long the boss, El Jefe Gil, will be detained, though with his track record it is unlikely either hospital or prison will hold him as long as it might other men. As he plots his escape, one can envisage the next scene in the soap opera.

Rob Hughes is the chief sports correspondent of The Times of London.



ON THE EDGE — Hermann Maier of Austria during the first run of the World Cup giant slalom Monday in Adelboden, Switzerland. Maier delivered a risk-packed second run to collect his sixth victory of the season.

Why Should I Hide?' Korda Says

MELBOURNE — Petr Korda said Tuesday that he would defend his Australian Open title because he had proved his innocence on drug charges and had no reason to hide from his fellow players.

A player backlash against Korda who tested positive to the steroid nandrolone in July at Wimbledon, resulted in the International Tennis Federation appealing a ruling of its own appeals commission.

Korda, 30, was stripped of ranking points and prize money won at Wimbledon, but the committee ruled against imposing the maximum one-year ban because it believed he did not knowingly take the drug.

I wanted to play in Australia be-

cause I haven't done anything, why should I hide?" Korda said at a Melbourne warm-up event. "I don't have a problem standing in front of anyone. I just want to show the world I'm still capable of playing tennis and I want to defend my title as well as I can."

Korda would not comment Tuesday

on the International Tennis Federation's decision to refer the case to the Court of Arbitration for Sport, a process that could take three months.

"I have proved my innocence in ac-cordance with the ITF's own rules to the satisfaction of extremely well-qualified legal and technical members of the independent appeals committee," Korda said. "I would like to think that every-

one will now respect that finding."

While such players as Jonas Bjorkman, Richard Krajicek and Lindsay Davenport have questioned Korda's escape from a ban, he found one supporter in Andre Agassi. Agassi had a training session Monday with Korda and said Tuesday said it was too early to condemn the Czech player.

"To be quite honest I feel the need to give the benefit of the doubt to Petr and the committee," Agassi said. "It's certainly a situation that's not easy on anyone, especially Petr at the moment." The world's leading players will meet

Saturday in Melbourne and the case will be assessed at the meeting, Agassi said.



Petr Korda again said he had nev-

Flyers Soar, And Ottawa **Keeps Pace**

The Associated Press

There are not many teams playing better hockey than the Philadelphia Flyers just now. The Ottawa Senators are

giving it a pretty good try, though.
While the host Flyers beat the
Nashville Predators, 8-0, Monday night
to extend their unbeaten streak to 14 games, the Senators made it nine straight without a loss with a 4-2 victory at New Jersey.

"We expected to have a good year, but a run like this doesn't happen very

NHL ROUNDUP

often," the Senators' Jason York said. "We don't really want to think too much about this. We just want to keep doing the things we are doing and just keep winning like we are winning." Daniel Alfredsson broke a tie early in

the third period, and Alexei Yashin. Andreas Johansson and Marian Hossa also scored as Ottawa (22-13-5) moved into first place in the Northeast Division by one point over Toronto.

The Flyers, meanwhile, continued the NHL's longest current unbeaten streak - second only this season to the

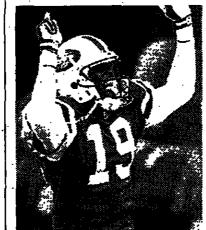
15-game streak by the Dallas Stars.
The Flyers (21-9-10) improved their
Atlantic Division lead to three points
over New Jersey. John LeClair had two goals and an assist, and John Vanbiesbrouck earned his second straight shutout for Philadelphia.

Capitals 4, Islanders 3 In Washington, Sergei Gonchar scored twice as the Capitals stretched their winning streak to a season-high four games by beating the Islanders and ruining the debut of Felix Potvin in goal for New York. Canadiens 3, Blues 1 Jason Dawe scored his first goal for Montreal as the host Canadiens beat St. Louis for their

seventh victory in eight games. Coyotes 1, Sabres 0 Dallas Drake scored with 16:25 remaining and Nikolai Khabibulin made 23 saves for his fourth shutout of the season and 17th of his career as host Phoenix beat Buffalo to

snap a four-game winless streak. Sharks 4, Kings 0 Mike Vernon stopped 30 shots as San Jose beat visiting Los Angeles, ending the Kings'

Johnson's Virtuosity Wins Over Jets Fans and Critics



The Jets' Keyshawn Johnson, who also recovered a fumble. By William C. Rhoden

EAST RUTHERFORD, New Jersey - Keyshawn Johnson bailed out a lot of people last Sunday. He bailed out a Jets team that showed signs of shrinking from its destiny, and he bailed out a defense that turned careless and porous. He even bailed out Curtis Martin, his offensive soul mate, whose secondquarter fumble could have put Jacksonville back in the game.

It was a great day on the strength of Johnson's statistics alone: nine receptions that matched a New York Jets postseason record, 121 yards and two touchdowns - one on a 21-yard pass play and the other a 10-yard reverse.

It was a performance of Thorpean dimensions: Johnson caught the ball, Johnson ran the ball and, at the end of a

game in which the Jets completed one of the most spectacular resurrections in cio — this ball represented the exstory Tohnson even in- clamation point t tercepted the ball.

At the end of the game, with the Jets holding a 10-point lead, Johnson lined up in the defensive secondary. When Mark Brunell heaved a last gasp desperation pass, Johnson went up in a crowd.

For the few seconds the ball was airborne, Johnson was back in a Los Angeles schoolyard playing the foot-ball version of King of the Hill, every-one going for himself. The toughest player comes down with the ball. John-

son came down with the ball. As the Jets came off the field and entered their locker room after their 34-24 victory, Johnson held the intercepted ball like a trophy, an affirmation of everything he had done in three years. had just shifted upward three speeds.
"He's a tough kid." Bill Parcells.

the Jets' coach, said afterward. Johnson's was one of those breakthrough performances that spoke for itself but connected with fans.

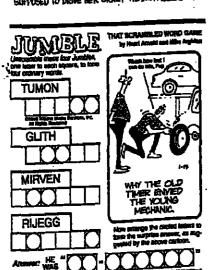
The bottom line was that Johnson pulled the Jets closer to the top of a mountain that two seasons ago seemed unconquerable. He did it with an allaround performance that revealed a level of resolve that had to win over his most vehement critics. Johnson is not the graceful swan-type receiver who soars and glides. He is an angular, indomitable presence, who has often

been crowded by scrutiny and critics. Now Johnson has earned just a little more elbow room.

DENNIS THE MENACE



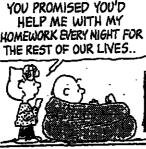
"I'V MOM SAYS I'M AHEAD OF SCHEDULE. I'M NOT SUFFOSED TO DRIVE HER CRACY "TIL I'M A TEDNAGER!



RECRUITMENT Appears every Monday in The Intermarket. To advertise contact Sonya Broa in our Landon office: Tel.: +44 | 71 420 0325 Fax: +44 1 71 420 0338 or your neurest IHT office or rejorcentative.

ENGLE CLIVE





BEETLE BAILEY

YOU THE





















CALVIN AND HOBBES







he

ke s ed

el in

le> ıon ate his

of

юT-

ncro-edy ; it ous у а





NON SEQUITUR



DOONESBURY





POSTCARD

In Vino No Veritas

By Elisabeth Bumiller New York Times Service

Susan Cheever, the writer, long ago lost any claim on the daughter of the famous nov- attentions of others." elist and alcoholic:

First came, "the dressing drink," a sherry or two while dressing for a dinner party; next, "a couple of stiff ones, Scotch in winter, gin and ton- memoir of her father that ic in summer, martinis if your chronicles not only his drinkhost offered them, at cocktail time. Then came wine with dinner, often a whole bottle. sunny and modest East End

By the end of the decade and the birth of her second Bottle' — a woman who had child, Cheever had reformed: three bad marriages, and who she had given up hard liquor for white wine, which was hardly drinking at all. Or so she told herself. She had her last drink in April 1991. Her said. Of course: "I was dying for the last drink in April 1991. Her said. Of course: "I was dying for the last drink in April 1991. Her said. Of course: "I was dying for the last drink in April 1991. Her said. Of course: "I was dying for the last drink in April 1991. Her said. Of course: "I was dying for the last drink in April 1991. Her said. father, John Cheever, had his inside. It was insane." By last drink in 1975, seven years early 1990, a few months after before his death: Now, maybe inevitably, comes Cheever's thinking constantly of suicide new memoir, "Note Found in and had a plan to jump out the a Bottle: My Life as a Drink- window. Why that way? er." If it does not "redefine "Quick," she said. "And ceralcoholism," her stated goal, tain." A psychiatrist preit does catalogue firsthand the scribed Prozac, which helped. drinking rituals of at least certain families in the old Puritan-descended upper class.

among other alcoholic memits particular interest lies in its Sunday services.

dismissed her in The Washington Post as a "professional daughter, alcoholic variety" NEW YORK — Consider who is adding "another chapter to her endless exploration and glorification of a life that

> Cheever, 55, has written eight other books, including "Home Before Dark." a ing, but also his bisexuality.

She talked last week in her Finally there was a nightcap, maybe a liqueur. "I loved Cointreau." Cheever said. sorbed baby boomer she de-scribes in "Note Found in a her son was born, she was

In 1991, she finally went to an Alcoholics Anonymous meeting on the Upper East Side — she had attended oth-The book takes its place mong other alcoholic members as she describes it, exoirs of the 1990s. Pete perienced "a profound shift" Hamill's "A Drinking: Life" that "came through the grace was published in 1994 and Caroline Knapp's "Drinking: Episcopalian," she said she A Love Story" in 1996. But now goes sporadically to

literary provenance. It also She hopes the Cheever makes Cheever an interesting drinking disease will stop target. Although Publishers with her, and not pass on to Weekly called her book "a her children. And, she prays powerful story written in precise, emotionally intense said, "my principle prayer is, prose," Jonathan Yardley "Help—please."

Death, Atrocity, Shakespeare! Roll 'Em!

By Roderick Conway Morris
International Herald Tribune

ROME — It is a cold, dank winter's night in the Roman countryside. Anthony Hopkins, in a bathrobe, shambles from the shadows in the garden of an antique, ivy-clad villa into the glare of the lights and bids a young man to summon the guests to dinner.
The scene is the prelude to the bloody end

of Shakespeare's "Titus Andronicus," in which Hopkins plays the title role, now being shot at Cinecitta and on location in and around Rome by the American director Julie Taymor. As those familiar with the drama will recall, Titus's banquet is to feature a pie made of the murdered sons of one of the guests; Tamora, queen of the Goths (played by Jessica Lange).

The party concoction is Titus's revenge for Tamora's son's abduction of his daughter, Lavinia, from which she returns, in the words of the most startling stage direction in the entire canon of Elizabethan and Jacobean tragedy, with "her hands cut off, and her

tongue cut out, and ravish'd."
The sibling pie and the atrocities suffered by Lavinia are just two incidents in a ghastly catalogue of torture, human sacrifice, selfmutilation, stabbings and decapitations that punctuate the budding young playwright's first Roman drama. Indeed, the excess of horrors in "Titus" can make other contemporary revenge plays look as tame as the Telenibbies — one reason scholars have long disputed that the piece could be by Shakespeare at all, and why it is seldom

Taymor has been known principally as a theater director, although she has made two films — of her own production of Strav-insky's "Oedipus Rex" and of an Edgar Allan Poe story. Her Broadway stage ad-aptation of Disney's "The Lion King" has been a runaway success, and has just opened in Japan. She has staged Shakespeare's "The Taming of the Shrew" and "The Tempest," and after her Off-Broadway production of "Titus" she raised nearly \$20 million for this U.S.-Italian joint production.

"I think 'Titus' is a very underrated play." Taymor said at her apartment in Rome after a series of grueling all-night shoots in freezing and often rainy weather. "It was one of his earliest, possibly his first play, and it contains the seeds of many later ones, like 'Lear,' sites as the Caracalla Baths, but also Mus-'Hamlet,' 'Othello' and 'Richard III.' In his solini's model district of Fascist architec-



Julie Taymor conferring with Anthony Hopkins on the set of "Titus."

exciting, moving, very easy to follow and Colosseum, "a monolithic, terrifying build-extremely dramatic. But it went out of fashing," Taymor said. ion because it became thought of as being in bad taste. When I read it some years ago I couldn't believe that anything written so long ago, anything on the written page even, could shock me so much. But when I did it on stage it was very successful and audiences really took to it, and I began to think what a great movie it would make."

Taymor decided Rome was the best place to shoot, and was able to recruit two internationally renowned collaborators: the set designer Dante Ferretti, who has worked with Pasolini, Fellini and Zeffirelli, and Milena Canonero, Italy's leading costume designer.

"I love the stratification of eras in Rome, the layers upon layers of history built one upon the other," she said. In fact, her "Titus" is not placed strictly in the Imperial Roman era but moves between epochs. So the backdrops include not only such classical sites as the Caracalla Baths, but also Musday it was also one of his most popular. It's ture, the E.U.R., with its so-called Square bard's youthful excursion into sensationalist

Costumes, too, cross epochs — Lange is styled as a Fascist-era vamp — though there is a considerable quantity of re-created ancient Roman hardware, giving Cinecitta's prop departments more work of this kind than they have had since the epic blockbusters "Spartacus" and "Antony and Cleopatra."

The action opens and closes in the Cosseum, inaugurated by Emperor Titus in A.D. 80, where scores of gladiators and 5,000 animals were killed in the first 100 days of games. Taymor decided on the opening shot before she knew it was Titus who had opened the arena, since "the Colosseum is recognized all over the world as the ultimate symbol of the theater of cruelty." But because the Colosseum no longer has its floor, the scenes set there were actually filmed in the almost perfectly preserved Roman amphitheater at Pola in Croatia, and the Zagreb Police Academy contributed to the army of extras. While "Titus" has often been seen as the

Grand Guignol, Taymor said she believed the play is a more serious study of what makes people violent and violence's con-

l've dealt with violence often in the theater. she said, and I think that if you totally stylize it, it becomes poetic, intellectual and almost beautiful, and this allows the audience to bear watching it. But you can also miss the point of the raw feeling of disgust you feel in your stomach when you

witness real violence. So in this respect I am, witness real violence. So in this respect I am, more than ever, trying to find a balance. "In the stage play," she continued, "Shakespeare doesn't show Lavinia's hands." being cut off or her being raped. But he does show Titus's hand being severed. So there were times when Shakespeare decided that you should see something happen, but at other times what is in your imagination is even more extreme than anything you could ever show on stage, and I have fairly much followed Shakespeare in his directions for the play,

while adding some surreal dream and night-mare sequences inspired by his imagery.'

One of the major appeals of "Titus."

Taymor added, was that there are so many good parts, rather than one or two dominant roles. Apart from the veterans Hopkins and Lange, she has brought in several up-andcoming hot properties from both sides of the Arlantic, including Alan Cummings. Colm Feore, James Frain, Jonathan Rhys-Myers and his brother Matthew Rhys.

Cast as Aaron the Moor, the arch macast as Aaron the Moor, the arch has nipulator and lover of Tamora, who bears his child, is the American Harry Lennix, who originally played the part Off-Broadway. "Aaron is the model of lago in 'Othello,' of course," Taymor said, "but I find him much more interesting, because you never really understand why lago is the way he is. But with Aaron Shakespeare makes it clear that with Aaron, Shakespeare makes it clear that he has become an evil genius because of the way he has been treated. Titus starts out as the hero and Aaron the devil, but they begin to switch places and Titus begins to do inhuman things. And to watch Aaron change when his child is born and he becomes utterly absorbed

by his own flesh and blood is fascinating." The director added: "It's a humongous film and has a modest budget considering what we are trying to do. It's Shakespeare's most violent play, but it's also one of his funniest. He was very young when he wrote it and it has a brashness and an over-the-top view of humanity that became tempered in

PEOPLE

Three New 'Masters' of American Jazz

EW YORK — Art Farmer, Dave Brubeck and Joe Henderson have been

named 1999 American Jazz Masters by the National Endowment for the

Farmer, the trumpeter and flügelhorn player, Brubeck, the pianist and

Bill Ivey, chairman of the arts endowment, said the three musicians "have

composer, and Henderson, the tenor saxophonist, will each receive a fel-

enriched this country with their astounding artistic achievements." They join

such previous honorees as Dizzy Gillespie, Betty Carter, Miles Davis and

THE actor and rapper Will Smith was the big winner at the 26th annual American Music Awards. Smith won three of the four categories in which he was nominated, including favorite album ("Big Willie Style") in both the pop-rock and soul-R&B categories. He was also named favorite male soul-R&B artist. He was prevented from making a clean sweep when Eric Clapton won for favorite male pop-rock artist. The Canadian pop-rocker Shania Twain, who had led the field with five nominations, won just one trophy — as favorite female country artist. Garth Brooks and Celine Dion each won two trophies, Brooks for favorite male artist and favorite album ("Sevens") and Dion for favorite fe-male artist in both the pop-rock and adult contemporary categories. Alabama won the favorite country-band award for the 16th time in 17 years.

rs Sean (Purry) Combs and Heavy D are half responsible for a stam-

pede at a party that left nine people dead

in 1991, a state judge in New York has

ruled. The City College of New York, where the party was held in a gymnasium, bears the rest of the responsibility, Judge Louis Benza of the Court of Claims ruled. The people were killed when fans rushed a celebrity basketball game and party sponsored by Combs. Benza said school officials knew the event was oversold and failed to provide adequate supervision of the crowd in part by abandoning security duties to Combs. handprints and signature joined those of

lowship that includes a \$20,000 honorarium.

Sarah Vaughan.

The judge said Combs's security people closed the only door to the gym and propped a table behind it to make sure

only those who had paid could enter.

Susan Sarandon kicked off her shoes and reveled in the "squishiness" of wet cement at Hollywood's Mann's Chinese Theatre. Sarandon's footprints,

Robbie Williams, once the bad boy of British pop, landed a record six nominations Tuesday for the Brit Awards, the British music industry's ultimate accolade. Williams, who left the haigely successful group Take That, battled alcohol and daily problems letter carving out a successful solo career now peppered with hit singles. The Brit Awards will be given in London on Feb.

The Canadian producer and director Norman Jewison will receive the Irving Thalberg Memorial Prize for "ofeative producers whose work constantly reflects a high level of quality in cinema production" at the Academy Awards ceremony on March 21. Jewison's films



(1967), an Oscar winner as best picture. The pop group Blondie after performing at the American Music Awards.

put on a happy face

and use AT&T Direct Service. With the world's most powerful network you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language All it takes is your AT&T Calling Card or credit card, and you're well on your way. So smile.

Steps to follow for easy calling worldwide:

I, Just dial the AT&T Access Number for the country you are calling from.

2. Dial the phone number you're calling. 3. Dial your card number.

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at:



it's all within your reach.